

CAPE AGULHAS MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

2017/2018 TO 2019/2020



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

May 2016



ANNUAL BUDGET OF

CAPE AGULHAS MUNICIPALITY

**2017/18 TO 2019/20
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

Copies of this document can be viewed:

- **In the foyers of all municipal buildings**
- **All public libraries within the municipality**
- **At www.capeagulhas.gov.za**



Table of Contents

PART 1 – ANNUAL BUDGET	4
1.1 VISION & MISSION	4
1.2 MAYOR'S REPORT	4
1.3 COUNCIL RESOLUTIONS	9
1.4 EXECUTIVE SUMMARY	10
1.5 OPERATING REVENUE FRAMEWORK.....	28
1.6 OPERATING EXPENDITURE FRAMEWORK.....	35
1.7 CAPITAL EXPENDITURE	40
1.8 ANNUAL BUDGET TABLES.....	43
2 PART 2 – SUPPORTING DOCUMENTATION	60
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	60
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	61
2.3 OVERVIEW OF BUDGET RELATED-POLICIES.....	71
2.4 OVERVIEW OF BUDGET ASSUMPTIONS	71
2.5 OVERVIEW OF BUDGET FUNDING.....	73
2.6 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS.....	79
2.7 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY.....	82
2.8 COUNCILOR AND EMPLOYEE BENEFITS	83
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	85
2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	92
2.11 CAPITAL EXPENDITURE DETAILS.....	92
2.12 LEGISLATION COMPLIANCE STATUS.....	108
2.13 OTHER SUPPORTING DOCUMENTS	109
2.14 MANAGER'S QUALITY CERTIFICATE	122
PART 3 – APPENDICES	123
3.1 APPENDIX A – TARIFF LISTING.....	123
3.2 APPENDIX B – DRAFT SDBIP	123
3.3 APPENDIX C – MSCOA IMPLEMENTATION PLAN	123
3.4 APPENDIX D – SERVICE LEVEL STANDARDS	123

March 2017



Part 1 – Annual Budget

1.1 Vision & Mission

Our Vision

Together for excellence

Saam vir uit nemendheid

Sisonke siyaggwesa

Our Mission

To render excellent services through good governance, public ownership and partnership in order to create a safer environment that will promote socio-economic growth and ensure future financial sustainability in a prosperous southernmost community

This will be achieved through:

- Fairness
- Integrity
- Accountability and responsibility
- Transparency
- Innovativeness
- Responsiveness
- Empathy

1.2 Mayor's Report

In terms Section 152 of the Constitution of the Republic of South Africa, the objectives of local government are as follows:

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organisations in the matters of Local Government.

A municipality must strive, within its financial and administrative capacity, to achieve these objective set out in Section 152.

The concept of "Quality Services" versus "Financial and Administrative Capabilities" can never be separated from one another, as poor services will ultimately lead to financial difficulties, while delivering services above the financial and administrative capabilities will ultimately lead to service delivery issues. More commonly, this is referred to as "Council's Balancing Act".

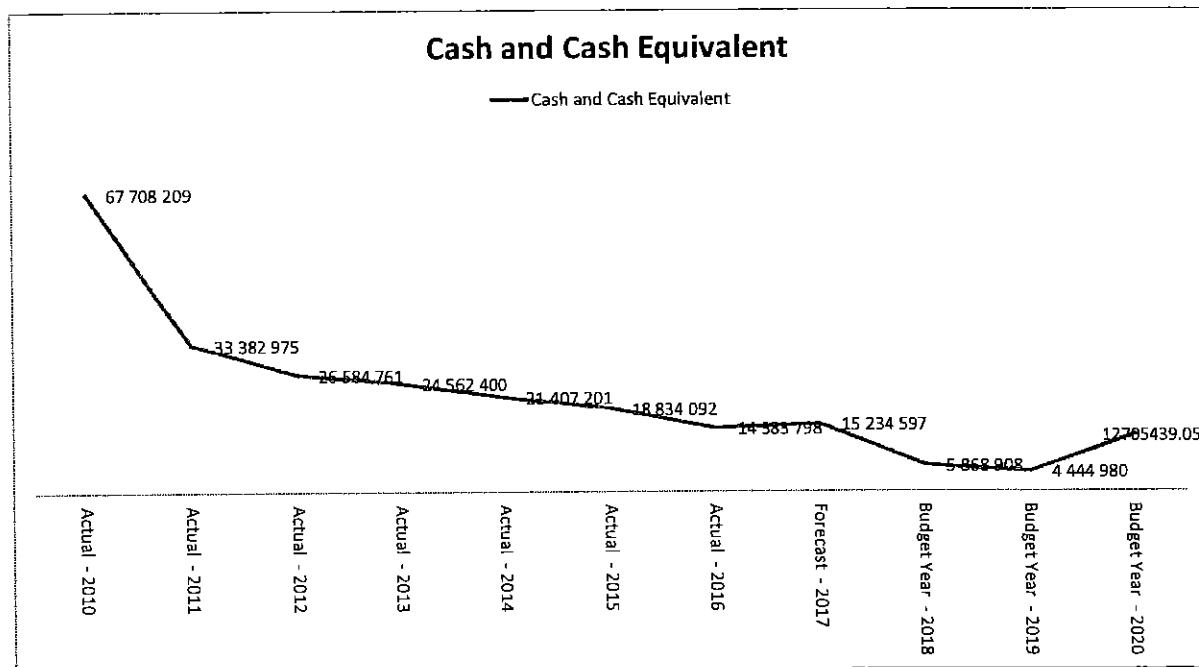
29 MAR 2017

Cape Agulhas Local Municipality, like so many other municipalities in South Africa, is faced with various challenges when balancing quality basic services to the financial and administrative capabilities of the municipalities. These challenges include, but is not limited to the following:

- Ageing Infrastructure as one of the biggest threats to sustainable service delivery;
- Population growth putting strain on the municipal infrastructure to keep track of service delivery demands;
- Housing backlogs;
- Poverty in the municipal area and the ability to pay for basic services; and
- Depletion of Cash Reserves (as highlighted below)

This balancing act is further complicated by the unlimited needs of the citizens in the municipal area as discussed later in this report.

Financial sustainability is largely influenced by the ability of the municipality to preserve, or even increase, cash resources. Municipalities should as far possible approve budgets that are within their financial constraints. In other words, projected capital and operating expenditure should be financed from projected future revenue streams, thus eliminating the need to utilise accumulated funds from previous years. Currently, however, the proposed budget will have a negative impact on the projected cash position of the municipality as indicated below:



Although it is expected that the downward trend in cash will be curbed during the 2019/2020 financial year, the downward trend in up to 30 June 2019 remains a concern. Not only is this downward trend a serious threat to the financial viability and the ability of the municipality to provide basic services on a sustainable manner, it is also a concern that the downward trend is experienced even though external funding of approximately R 8.5 million is being introduced in the capital funding mix of the municipality over the 2017/2018 MTREF.

March 2017



It is expected that the cash resources of the municipality will decrease by R 9,366 million during 2017/2018 and by R 1,424 million during 2018/2019 before the downward trend is curbed. This significant downward trend can mainly be attributed to the inability of the municipal budget to produce adequate cash resources to meet the proposed capital program of the municipality, which includes approximately R 8 million capital from own revenue sources.

Description R thousand	Pre-audit outcome	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
NET CASH FROM OPERATING ACTIVITIES	23 527	13 665	18 413	29 767
LONG TERM FINANCING RAISED	4 053	3 366	3 868	1 240
TOTAL FUNDS AVAILABLE TO FUND CAPITAL PROGRAM	27 581	17 031	22 280	31 007
CAPITAL PROGRAM	(25 452)	(24 751)	(21 666)	(20 921)
SURPLUS/(SHORTFALL)	2 129	(7 720)	615	10 086

To ensure that the cash position of the municipality is stabilised in the near future, avenues should be explored to cut back on the operating and capital expenditure currently included in the proposed budget.

The South African economy and inflation targets

The 2017 Budget Review emphasised that, while the global economic growth outlook has improved, it is clouded by the prevailing policy uncertainty due to the increasing pressure within the world trading system. These factors may jeopardise South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy's ability to adjust to global volatility and the stable investment platform.

GDP growth rate is forecasted to increase by 1.3 per cent in 2017 and to improve moderately over the medium term with to 2 per cent and 2.2 per cent in 2018 and 2019 respectively. This forecast is supported by marginally higher global growth, stabilising commodity prices, greater reliability of the electricity network, more favourable weather conditions, recovering business and consumer confidence, and improved labour relations. The positive trajectory marks a shift from several years of declining growth however; this is still not high enough to markedly reduce unemployment, poverty and inequality.

The unemployment rate was 26.5 per cent in the fourth quarter of 2016. In aggregate mining and manufacturing employment declined by 80 306 jobs in 2016 while the services sector created 119 189 jobs during the same period. The economy continues to create opportunities for semi-skilled and skilled workers, and to shed unskilled jobs, reinforcing poverty and inequality and widening the wage gap.

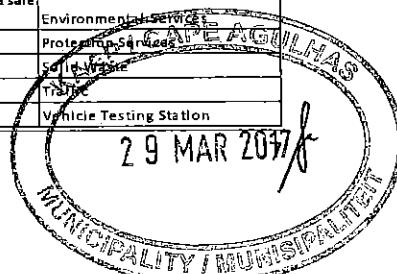
These economic challenges will continue to pressurise municipal revenue generation and collection levels hence a conservative approach is advised for projecting revenue. Municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

To address these concerns, the following strategic goals and objectives (aligned to both the National KPA's and the departments within the municipality) are contained in the IDP of Cape Agulhas Municipality.

7 MAY 2017
March 2017

National KPA	Municipal KPA	Strategic goal	Strategic objective	Department
KPA1: Good Governance and Public Participation	MKPA1: Good Governance and Public Participation	SG1: To ensure good governance and institutional sustainability	SO1: To create a culture of good governance	Administrative Support Services
				Council General Expenses
				Internal Audit
				Municipal Manager
				Office of the Municipal Manager
				Risk Management
				Strategic Planning and IDP
			SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	
				Client Services
				Council General Expenses
KPA2: Municipal Institutional Development and Transformation	MKPA2: Municipal Institutional Development and Transformation	SG2: To ensure institutional sustainability	SO3: To create an administration capable of delivering on service excellence.	Administrative Support Services
				Beaches & Public Amenities
				Buildings and Commongate
				Corporate Services
				Human Resources
				Information Technology
				Parks and Sports Facilities
KPA3: Local Economic Development	MKPA3: Local Economic Development and Tourism	SG3: To promote local economic development in the Cape Agulhas Municipal Area	SO4: To create an enabling environment for economic growth and development	Administration
				Human Resources
				Parks and Sports Facilities
				Social Development
				Strategic Planning and IDP
			SO5: To promote tourism in the Municipal Area	Council General Expenses
KPA4: Municipal Financial Viability and Management	MKPA4: Municipal Financial Viability and Management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	SO6: To provide effective financial, asset and procurement management	Budget and Treasury Office
				Expenditure Management
				Finance
				Revenue Management
				Supply Chain Management
KPA5: Basic Service Delivery	MKPA5: Basic Service Delivery	SG5: To ensure access to equitable, affordable and sustainable municipal services for all citizens	SO10: Development of sustainable vibrant human settlements	Building Control
				Housing
				Town Planning
			SO7: Provision of equitable quality basic services to all households	Council General Expenses
			SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Administration
				Electricity
				Sewerage & Sanitation
				Solid Waste
				Streets & Stormwater
				Water
				Workshop
			SO9: To provide community facilities and services	Cemetery
				Library
				Public Services
		SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	SO10: Development of sustainable vibrant human settlements	Housing
	MKPA6: Social and youth development	SG7: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	SO11: To promote social and youth development	Administration
				Council General Expenses
				Social Development
			SO12: To create and maintain a safe and healthy environment	Environmental Services
				Protection Services
				Solid Waste
				Trade
				Vehicle Testing Station

March 2017



The Integrated Development Plan (IDP) is a 5 year strategic developmental plan, setting strategic and budget priorities as required in terms of the Municipal Systems Act of 2000. It is a plan to help us set our budget priorities, so in essence it indicates how Cape Agulhas Municipality will spend its money for the next five years. The IDP should be aligned with the development plans of provincial and national government, and is agreed upon between Cape Agulhas Municipality and the residents during the public participation process. Therefore the IDP enables Cape Agulhas Municipality to make the best use of scarce resources and it also enables the councillors to make decisions based on the needs and priorities of their communities.

With the IDP, Cape Agulhas Municipality can:

- Develop a clear vision
- Identify its key development priorities
- Formulate appropriate strategies
- Develop the appropriate organisational structure and systems
- Align resources with development priorities

In view of the aforementioned, the following allocations are allocated to the strategic objectives and goals in the MTREF under review:

Operating Expenditure per Strategic Objective

Strategic Objective R thousand	Goal	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	20 244	21 621	23 038
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	4 076	4 313	4 596
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	27 855	29 403	31 232
SO4: To create an enabling environment for economic growth and development	SG3: To promote local economic development in the Cape Agulhas Municipal Area	1 390	272	285
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	1 553	1 601	1 641
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	40 078	42 202	45 461
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	144 075	150 508	158 453
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	7 133	7 594	8 126
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	7 401	7 090	7 230
SO10: Development of sustainable vibrant human settlements	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	21 099	20 686	40 827
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	4 553	4 771	5 003
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	24 389	26 134	27 447
Total Expenditure		303 847	316 196	353 339



Capital Expenditure per Strategic Objective

Strategic Objective	Goal	2017/18 Medium-Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand				
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	18	—	—
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	294	—	—
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	2 537	5 302	1 054
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	11	—	—
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	19 033	15 723	18 952
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	292	120	—
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	13	—	—
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	52	31	—
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	2 503	490	915
Total Capital Expenditure		24 751	21 666	20 921

1.3 Council Resolutions

It is recommended that the Council approves and adopts the following resolutions for the annual budget:

The Council of Cape Agulhas Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.1. The annual budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations as set out in the following tables in part 1.8 of this report
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables in part 1.8 of this report:
 - 1.2.1. Budgeted Financial Position as contained in Table A6;
 - 1.2.2. Budgeted Cash Flows as contained in Table A7;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
 - 1.2.4. Asset management as contained in Table A9; and
 - 1.2.5. Basic service delivery measurement as contained in Table A10.



2. The Council of Cape Agulhas Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017:
 - 2.1. the tariffs for property rates – as set out in Annexure A,
 - 2.2. the tariffs for electricity – as set out in Annexure A
 - 2.3. the tariffs for the supply of water – as set out in Annexure A
 - 2.4. the tariffs for sanitation services – as set out in Annexure A
 - 2.5. the tariffs for solid waste services – as set out in Annexure A
3. The Council of Cape Agulhas Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017 the tariffs for other services, as set out in Annexure A.

1.4 Executive Summary

Cape Agulhas Municipality is very proud of the achievements reached in recent years. Not only have we managed to achieve 3 consecutive clean audits (2013/2014 to 2015/2016 financial years), we have also managed to maintain the delivery high quality services to the residents in the municipal area through tough economic times.

This MTREF will also mark the beginning of a new era in the Municipal Budgeting and Accounting environment through the introduction of the mSCOA (Municipal Standard Chart of Accounts) at municipalities throughout South Africa on 1 July 2017. The mSCOA project, lead by National Treasury, is aimed at standardising the way we transact and report on financial and other related information to the community and other stakeholders. Cape Agulhas Municipality is excited by this enormous challenge presented by the implementation of this new regulation and is definitely viewing this project as an opportunity to improve the data quality of the municipality.

In view of the aforementioned, it should also be noted that the implementation of mSCOA has a significant effect on how we classify transactions when compared to previous financial year. To compensate for this classification discrepancies, it proposed in MFMA Circular 86 that the budgeted tables only includes financial information relating to the 2018 MTREF with historic information being submitted on a separate schedule. In line with this proposal, it should be noted that this report focus mainly on the MTREF period with the historic information only included as an addendum to the report.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:



Consolidated Overview of the 2017/18 MTREF (R'000)

R thousand	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
	Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Total Operating Revenue	270 897	286 823	303 972	342 897
Total Operating Expenditure	(287 917)	(303 847)	(316 196)	(353 339)
Surplus/(Deficit) before capital transfers	(17 020)	(17 023)	(12 224)	(10 442)
Transferred Recognised Capital	11 902	13 309	11 961	18 360
Surplus/(Deficit) for the year	(5 118)	(3 715)	(262)	7 918

As can be seen from the above, the municipality will operate at an operating deficit throughout the MTREF. An operating deficit is an indication that the municipality is not generating sufficient revenue to sustain its operating expenditure, let alone the fact that the operating budget is not contributing any revenue at all towards the capital program. It should be noted that the operating budget also includes items such as depreciation and debt impairment which are not considered to be a "cash" expense. These item will not result in an immediate cash outflow. It should however be noted that non-cash items will eventually translate into a cash outflow when for example the fully depreciated asset needs replacement. Municipalities are advised as a minimum to prepare or strive towards a balanced budget (ie revenue equals expenditure). Although a balanced budget is not necessarily considered a funded budget, it definitely contribute funded budget principle over long periods of time.

The budget presented is aligned to the following vote structure:

Executive and Council	Infrastructure	Budget and Treasury Office	Corporate Services	Community and Social Services	Electricity
Municipal Manager	Administration	Finance	Corporate Services	Library	Electricity
Council General Expenses	Workshop	Supply Chain Management	Human Resources	Vehicle Testing Station	
Office of the Municipal Manager	Streets & Stormwater	Revenue Management	Town Planning	Protection Services	
Strategic Planning and IDP	Water	Expenditure Management	Building Control	Environmental Services	
Internal Audit	Sewerage & Sanitation	Budget and Treasury Office	Information Technology	Beaches & Public Amenities	
Risk Management	Solid Waste		Client Services	Parks and Sports Facilities	
			Administrative Support Services	Cemetery	
				Buildings and Commonage	
				Public Services	
				Housing	
				Social Development	
				Administration	
				Traffic	

March 2017



In line with the proposed vote structure, the following revenue and expenditure is appropriated to each vote:

Vote Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Revenue by Vote				
Vote 1 - Executive and Council	14 391	15 985	17 888	19 466
Vote 2 - Budget and Treasury Office	59 846	65 019	70 820	78 141
Vote 3 - Corporate Services	4 309	2 588	2 590	2 680
Vote 4 - Community Services	52 653	56 582	56 636	78 487
Vote 5 - Infrastructure Services	51 828	55 434	59 586	64 049
Vote 6 - Electricity	99 773	104 525	108 414	118 435
Total Revenue by Vote	282 799	300 132	315 933	361 257
Expenditure by Vote to be appropriated				
Vote 1 - Executive and Council	17 743	18 493	19 585	20 725
Vote 2 - Budget and Treasury Office	38 005	40 078	42 202	45 461
Vote 3 - Corporate Services	27 306	27 475	28 424	29 915
Vote 4 - Community Services	60 932	68 411	69 039	92 307
Vote 5 - Infrastructure Services	57 678	61 306	64 339	67 568
Vote 6 - Electricity	86 254	88 085	92 607	97 362
Total Expenditure by Vote	287 917	303 847	316 196	353 339
Surplus/(Deficit) for the year	(5 118)	(3 715)	(262)	7 918

Community Needs Analysis

The community needs analysis assesses current and future community needs so that future planning is targeted at meeting local priorities in the most equitable, effective and efficient way within the parameters of the Municipality's mandate and resources.

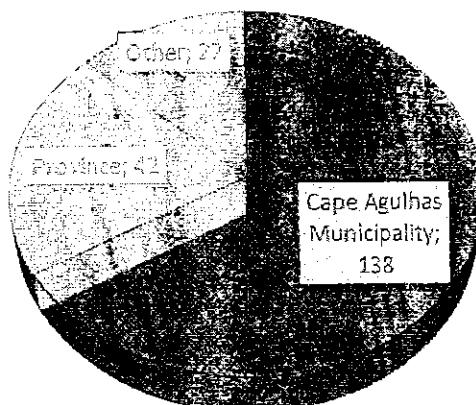
The assessment focussed on all needs of the community and not just those that fall within the functional mandate of the Municipality. For this reason community needs identified in the IDP are often perceived as a wish list and Municipalities are often seen as misleading the communities by allowing them to list their needs and or concerns as it creates expectations. It is however important to list all these needs as they also inform District, Provincial and National Planning. Furthermore, it is very often a requirement from potential donors that a need be included in the Municipal IDP before it will be considered.

Needs were classified as Municipal, Provincial, and other. The bulk of the other are needs identified by the Elim Community which is a private town managed by the Moravian Church of South Africa. The development of a sustainable service delivery model to this community is a critical issue which the Municipality needs to resolve and a MOU has already been concluded that identifies specific areas of co-operation.

Of the 207 needs on the analysis, 69 do not fall within the functional mandate of the Municipality. This attests to a huge facilitation role on the part of the Municipality if we are going to deliver on what is needed. The following graph shows the classification of the needs according to responsibility.

FIGURE - COMMUNITY NEEDS ANALYSIS -RESPONSIBILITY

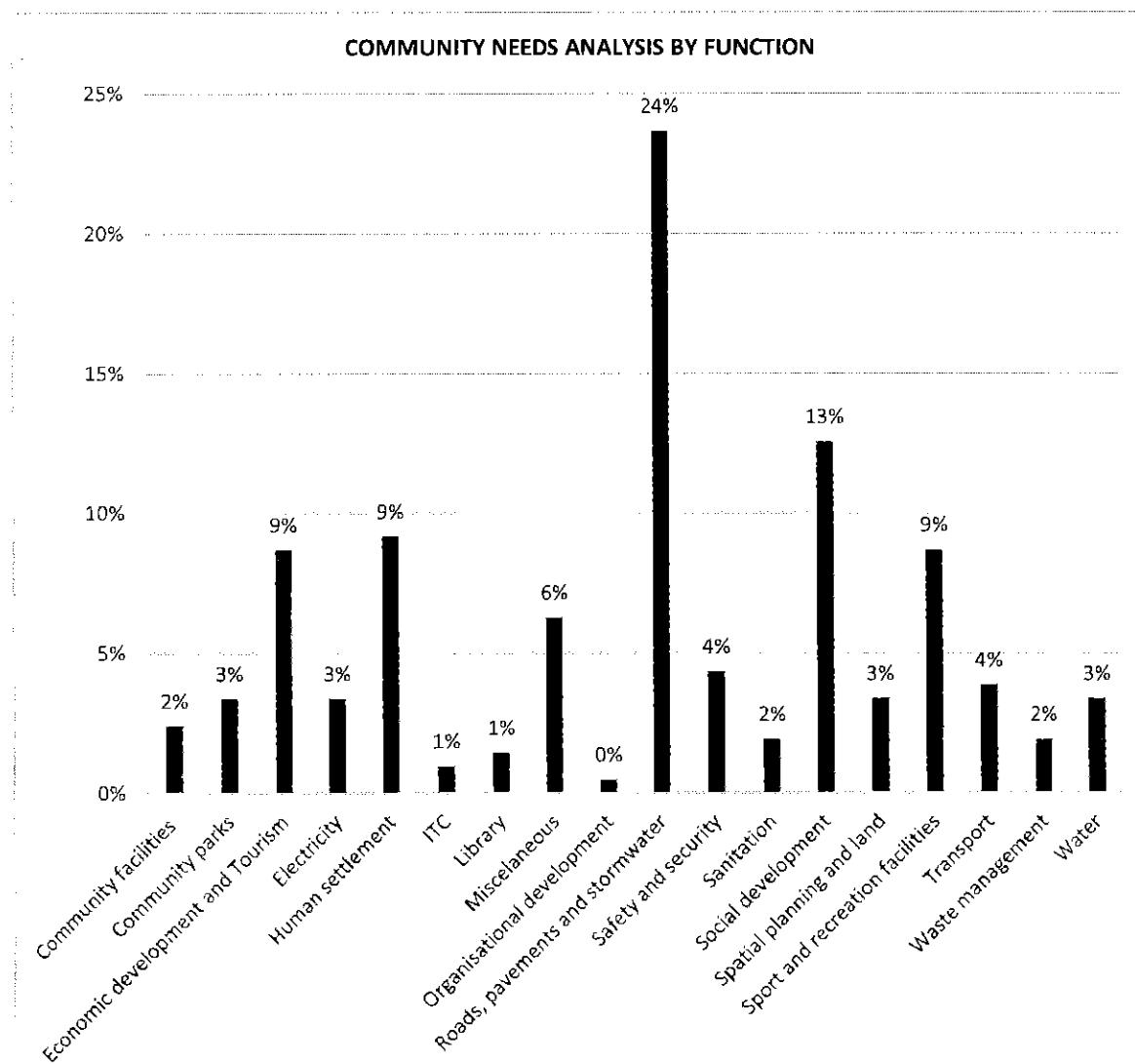
COMMUNITY NEEDS ANALYSIS - RESPONSIBILITY



It was very apparent during the public and ward committee meetings that the strategic agenda of the Municipality needs to focus on socio economic development. Safety and security, social development, Economic development /Job creation and Public transport featured on the top of every wards list and is therefore a cross cutting priority. There is an interrelatedness between these and collectively these needs to a large extent informed many of the other needs. These needs accounted for 30% of the needs but were also the driver behind the majority of the other needs. Libraries, community parks and sport and recreation needs were seen as solutions to keep the youth busy. The attractiveness of towns and main streets and pavements were seen as contributors to economic development and mobility.

The following graph shows the needs classified per function. By far the greatest need from the community in terms of infrastructure is for improved roads, pavements and storm water. This includes Provincial roads. A limitation to this analysis in terms of infrastructure is that the community do not have insight into the capacity of the Municipality's bulk infrastructure in terms of water, sanitation and electricity and do therefore not see it as that much of a need, whereas roads, streets and pavements are very visible.

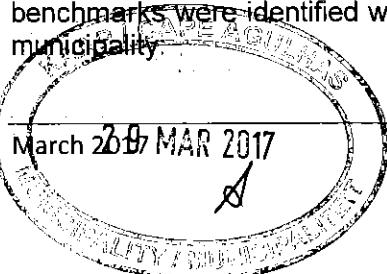
FIGURE - COMMUNITY NEEDS ANALYSIS BY FUNCTION



The needs identified above draw awareness to the diversity of the community. CAM must take cognisance that it is governing a diverse society, socially and economically and therefore its policies must aim to satisfy this diversity.

Financial Viability

Cape Agulhas Municipality have recently updated their long term financial. This plan should be utilised to guide all budget related decisions of the municipality. The following ratio's and benchmarks were identified which is considered significant to the long term sustainability of the municipality.



March 2017 MAR 2017

Ratio	Norm	Target 2017/18	Budgeted 2017/18	Comments
Liquidity Ratios				
- Standard Liquidity Ratio	2:1	3.5:1	1.16	The municipality is below the target for 2017/18 as well as the norm.
- Minimum Liquidity Ratio	1 Month	3.3 Months	0.25 Months	The municipality is below the target for 2017/18 as well as the norm.
- Overdraft to Total Income	0%	0%	0%	This ratio is achieved as it is anticipated that there will not be a bank overdraft at the end of 2017/18.
Operational Ratios				
- Accounting Surplus	>0	R17m	R17 m (loss)	The municipality is currently operating at a loss.
- Cash Operating Surplus	>0	R17m	R 0.356 m (Cash Surplus)	The municipality is currently not producing sufficient cash to reach the target for 2017/18.
- Repairs and Maintenance to Total Expenditure	7.00%	6.10%	18.81%	The municipality is above the target for 2017/18 as well as the norm. This is mainly due to salaries and wages, Other Expenditure and Contracted Services directly attributable to repairs and maintenance now being included in the calculation of the norm.
- Consumer Collection Levels	>95%	97%	97%	This ratio is achieved by the municipality. Collection rates have always been an area of strength for the municipality.
- Staff Costs	25% to 30%	45%	39%	The target for 2017/18 have been achieved. The ratio is however still in excess of the norm. This ratio should however be reviewed with caution, as it could easily be influenced by periodic fluctuations in certain expenditure items (such as expenditure relating to grant allocations).
External Gearing Ratios				
- External Loan Liability Paid (Cost Coverage)	2:1	103.3:1	Negative	This ratio is currently negative as the municipality is operating at an loss.
- External Interest and Capital Paid to Total Expenditure	7.50%	0.10%	0.78%	The ratio is currently above the target, but still well below the norm. There are further room to incorporate more external funds in the funding model of the capital program.
- External Gearing Ratio	25.00%	0.00%	2.60%	The ratio is currently below both the target and norm. There are further room to incorporate more external funds in the funding model of the capital program.

As previously mentioned, the sustainability of the municipality is highly dependent on the ability of the municipality to preserve or even improve on current cash levels. Further details how the municipality will be addressing the shortcomings above are included in the long term financial plan of the municipality.

The municipality further assesses their viability on the model jointly developed by Swartland Municipality and the Western Cape Provincial Treasury. This model assesses 10 key ratios that is considered the most important indicators when assessing the long term viability of the municipality. A weighting is attached to each indicator that will eventually provide the municipality with a viability score out of 100. The municipality should always strive for the maximum score of 100. Any score below 100 will be indicative of "sustainability cracks" that could eventually negatively impact on service delivery in the municipal area.

The 10 indicators, along with the proposed benchmark and weight are included in the following table:

ITEM	Benchmark	Viability Weight	Standard 1	Score 1	Standard 2	Score 2	Standard 3	Score 3	Standard 4	Score 4	Standard 5	Score 5
Asset Test Ratio	200%	10	200%	10	150%	8	100%	5	50%	2	0%	0
Payment Level (Excluding write-off of bad debts)	>95%	15	95%	15	90%	11	85%	6	80%	3	75%	0
Cash Generated from Operations as % of Revenue	>20%	8	20%	8	15%	6	10%	4	5%	2	0%	0
Purchase of PPE as % of Cash Generated	<100%	8	100%	8	110%	6	120%	4	135%	2	150%	0
Cost Coverage (Excluding Unspent Grants)	4	15	4	15	4	10	3	5	2	2	1	0
Debtors Turnover (days) (Before impairment)	<45 days	2	75	2	90	1	110	0	130	0	150	0
Longterm debt as % of Revenue	<40%	5	40%	5	50%	4	75%	3	95%	2	100%	0
Debt servicing cost to Revenue	<5%	8	5%	8	7.50%	6	10%	4	12.50%	2	15%	0
Short-term debt as % of Cash	<100%	4	50%	4	70%	3	80%	2	100%	1	125%	0
Cash Funded Budget over MTREF	>R0	25	Yes	25	No	0	0	0	0	0	0	0

March 2017

29 MAR 2017



The 10 indicators provide the municipality with an assessment of the following major areas:

- Revenue Management
- Expenditure Management
- Debtor and Creditor Management
- Cash Management
- Asset Management
- Funding and Reserve Strategy

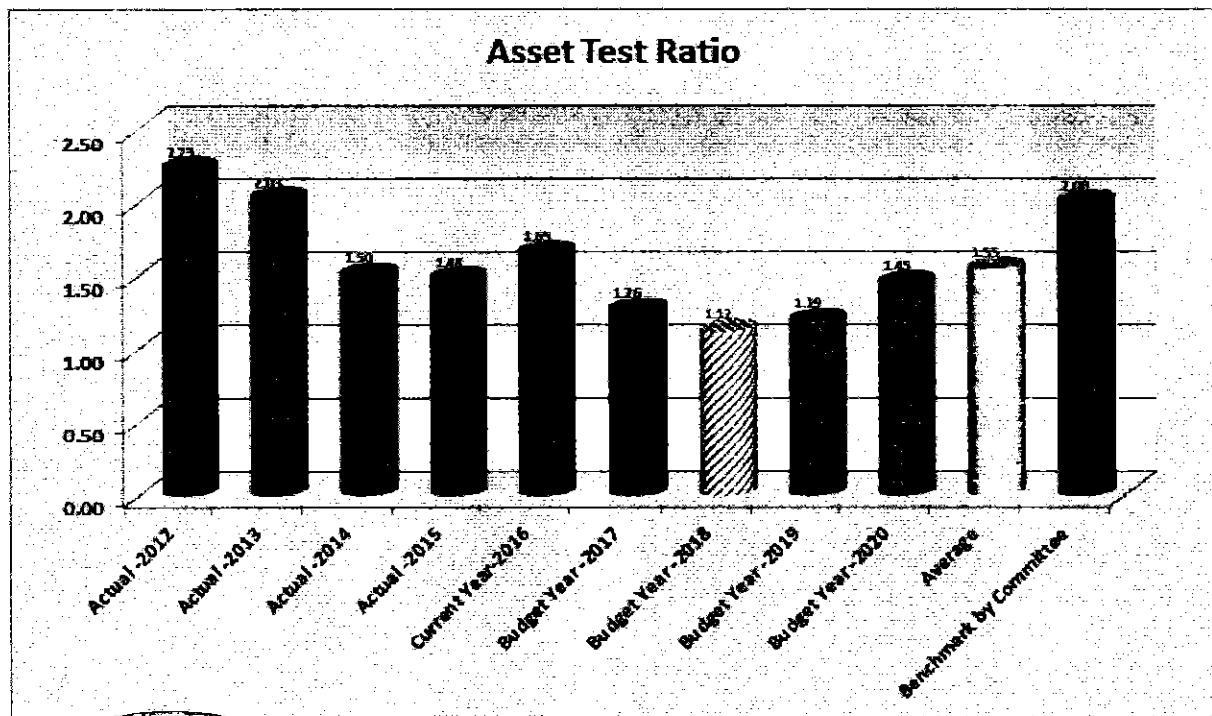
All the indicators will be discussed below.

1.4.1.1 Asset Test Ratio

The asset test ratio provides with an indication of the municipality's ability to settle commitments if and when they become due. It is calculated as follows ratio between current assets (excluding inventory) and current liabilities:

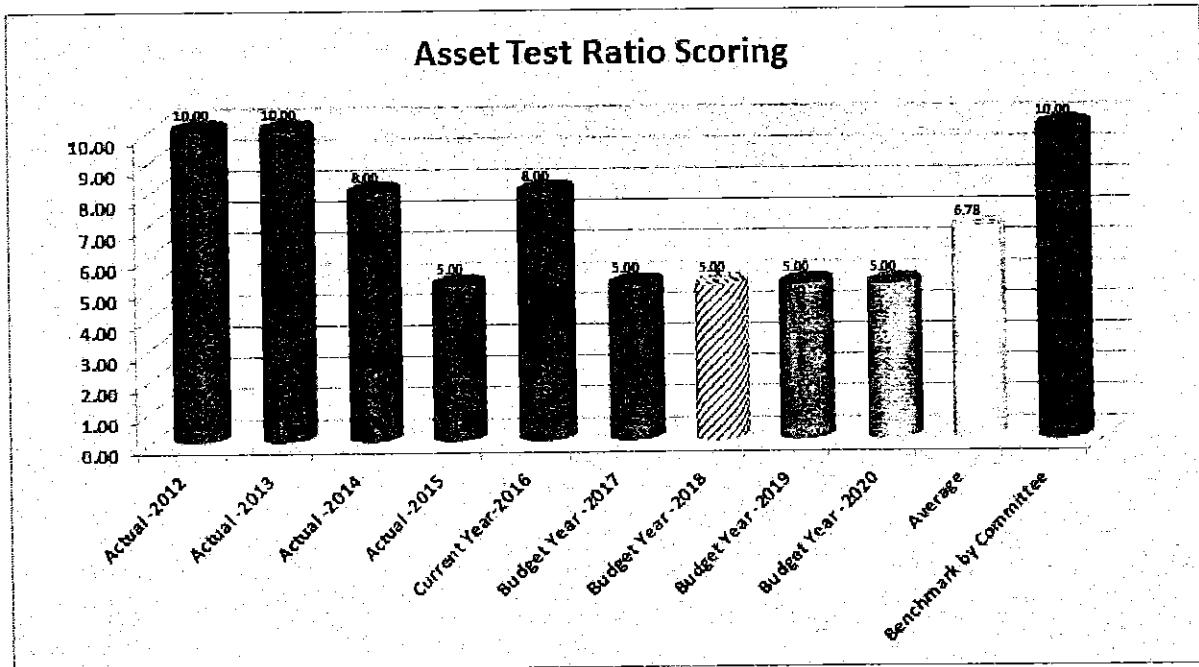
A ratio of 2:1 is considered to be appropriate.

This ratio has already slipped below the acceptable level of 2:1 during 2013/2014. It is not expected that the level of 2:1 will be reached over the MTREF, as this ratio is very dependent on adequate cash resources.



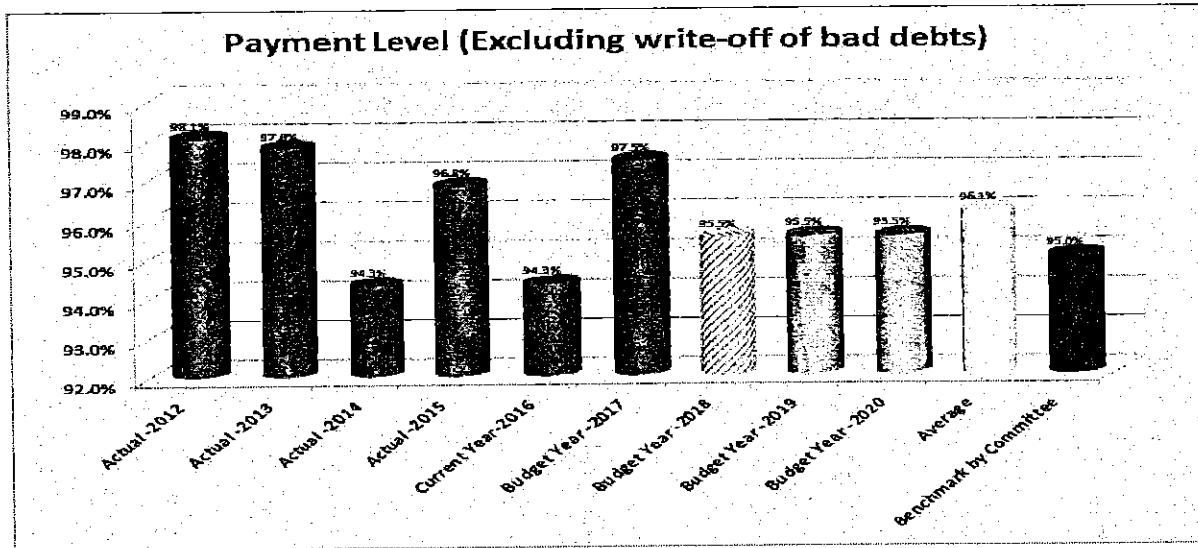
From a viability scoring out of 10 for this indicator, the following is allocated for this indicator:





1.4.1.2 Payment Level

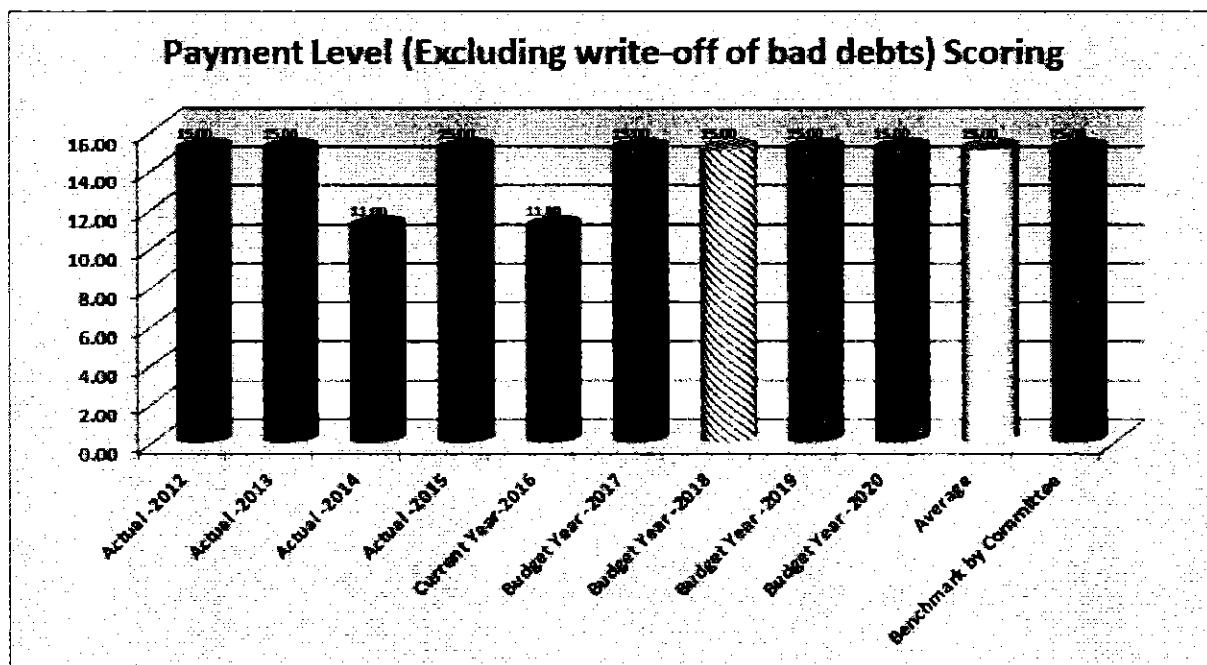
Historically, the municipality has always been able to apply strict measures when it comes to revenue collection and this trend is set to continue. A revenue collection rate in excess of 95% is considered to be exceptional in the current economic environment.



A following score is allocated to this indicator:

March 2017





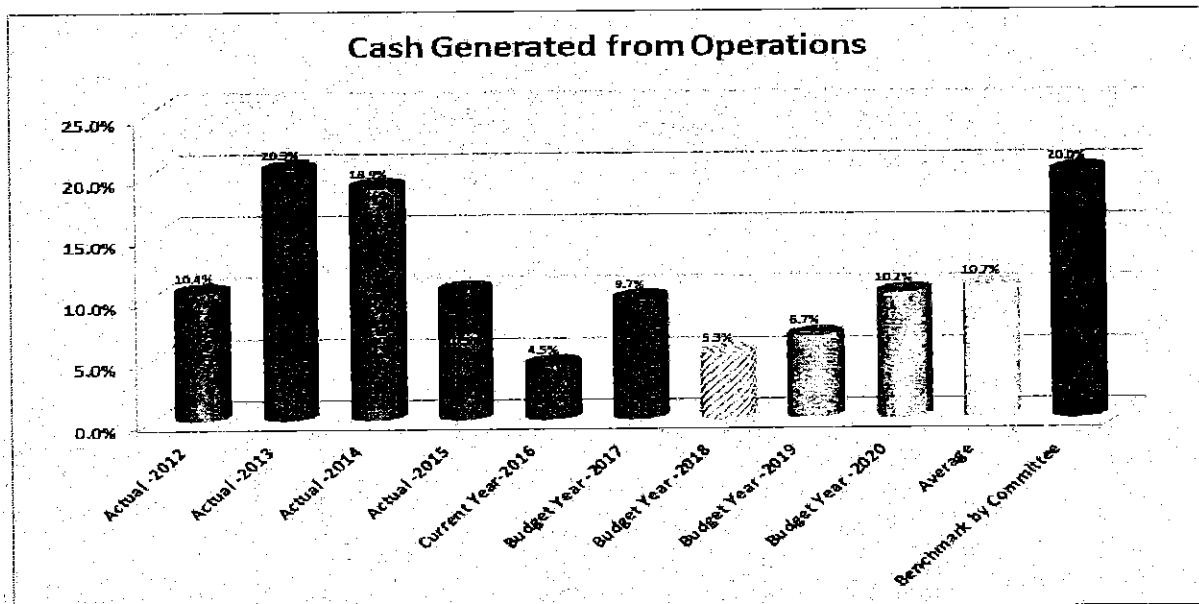
1.4.1.3 Cash Generated from Operations as % of Revenue

This indicator provides the municipality with a measure of the municipality's ability to translate the operating budget into cash. The downward trend as identified in the graph below is an indication of the inability of the municipality to pass the increases in major cost drivers to the consumer/rate payer in the form of service charges and taxes. The municipality should explore relevant areas where non-essential expenditure can be reduced in order to improve this indicator. Any improvement in this indicator will significantly contribute to the availability of cash resources for capital purposes. A ratio of 20% (Cash generated by operations vs Revenue) is deemed to be appropriate.

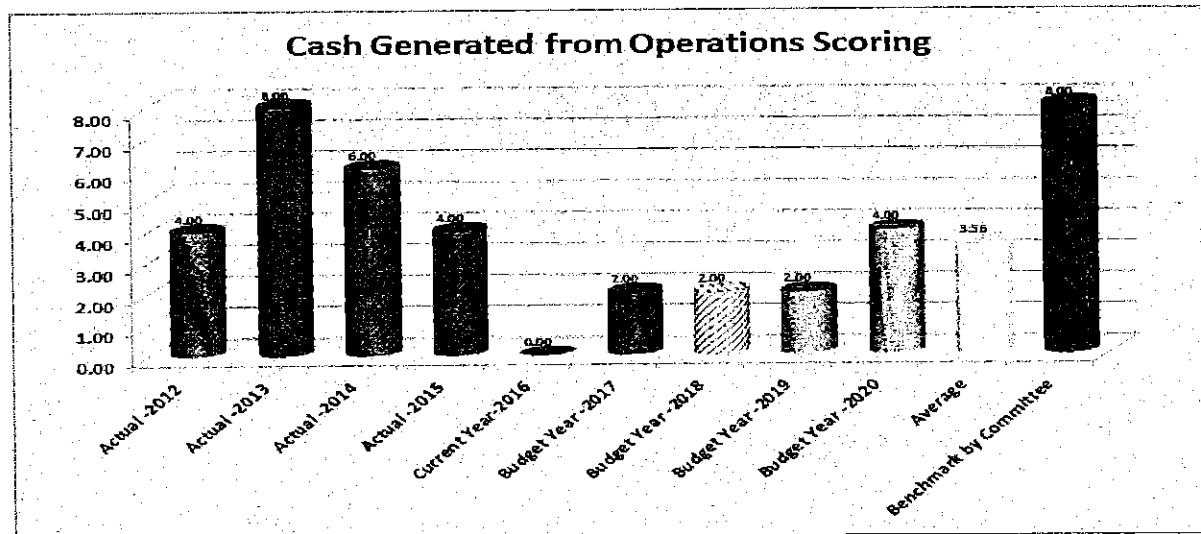
It is quite evident that the municipality is not generating appropriate levels of cash that will enable the municipality to contribute to the capital program of the municipality. With collection rates already established to be very good, cost cutting measures is considered the only possible short term remedy to correct this indicator.



March 2017

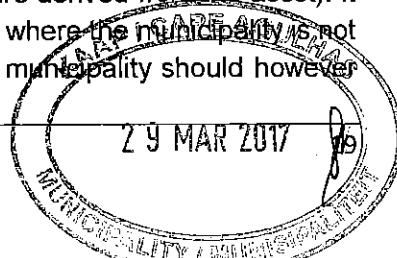


From a possible score of 8, the municipality will score limited points over the MTREF.



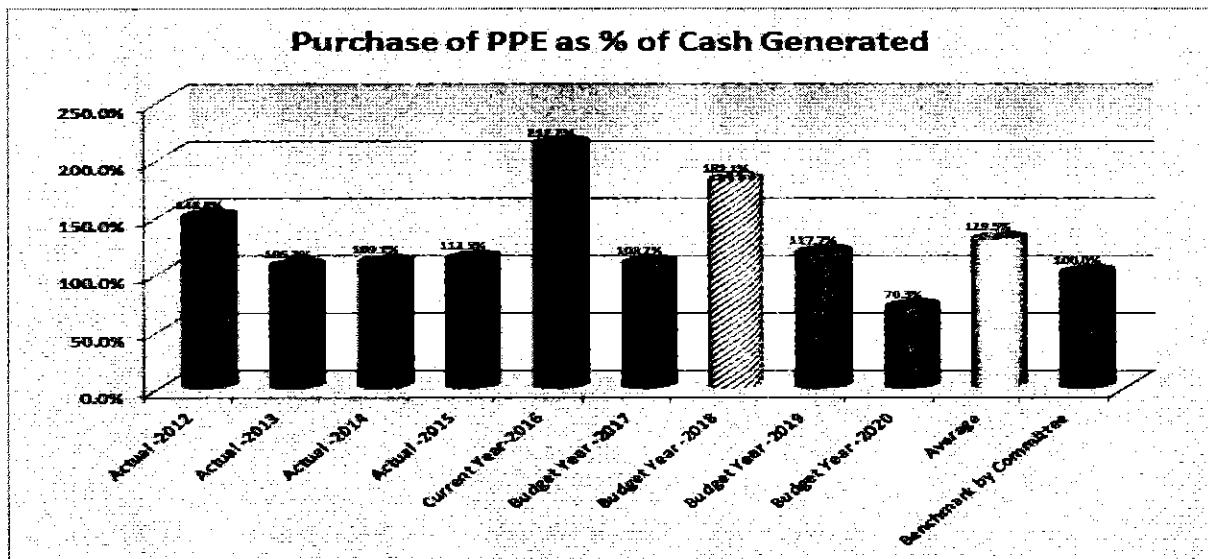
1.4.1.4 Purchase of PPE as % of Cash Generated

This indicator measures the ability of the municipality to finance the capital program from cash generated in the same financial period. Any indicator above 100% is indicative of a shortfall in cash which increases the need to utilise accumulated cash resources from prior years. Alternatively in order to preserve cash resources, the municipality will need to raise external loans. An external loan is an excellent instrument to promote the principle of "user pays" (Interest and redemption charges are factored into the cost of providing the service. Thus, the user of the specific asset will pay for the asset over the period when benefits are derived from the asset). It is also very useful to fast track much needed infrastructure projects where the municipality is not in a position to finance a specific project from own resources. The municipality should however

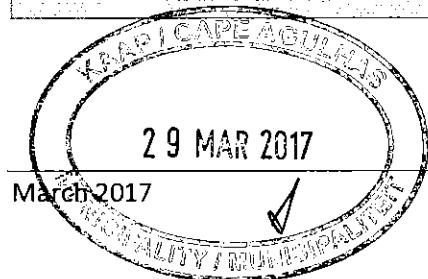
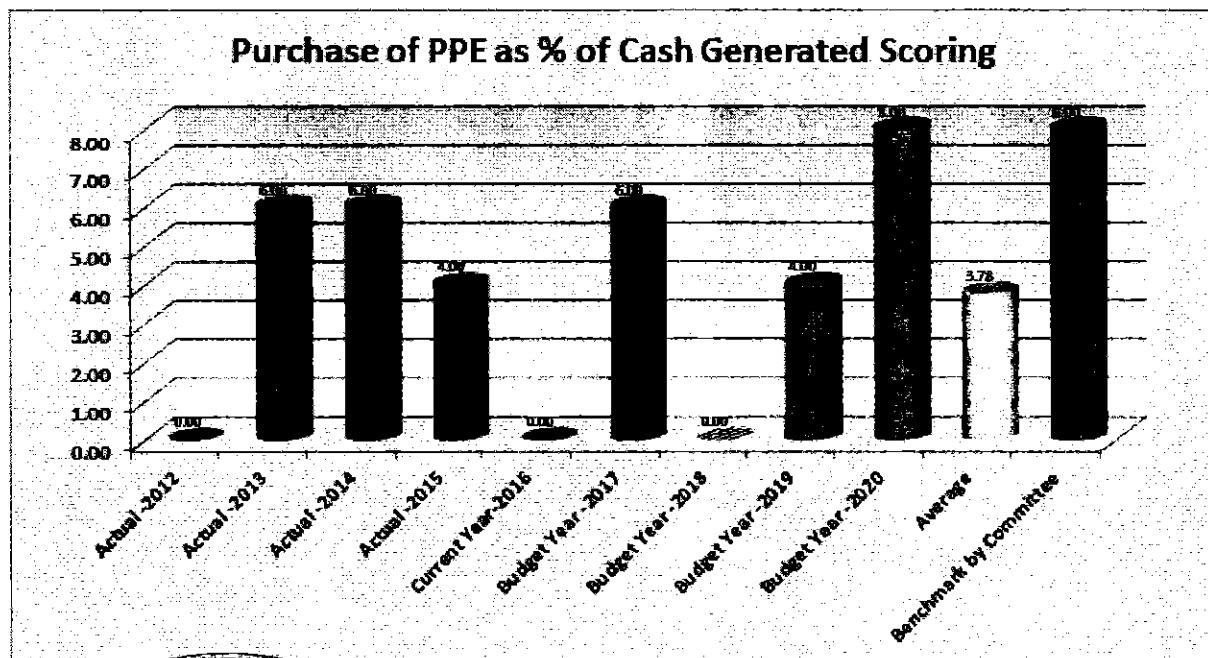


be mindful of the affordability factor specifically relating to loans that will be discussed in more detail in section 1.4.1.7 and 1.4.1.8.

In recent years and as it is currently projected, the municipality's capital program is always in excess of cash generated by operations, except for 2019/2020.

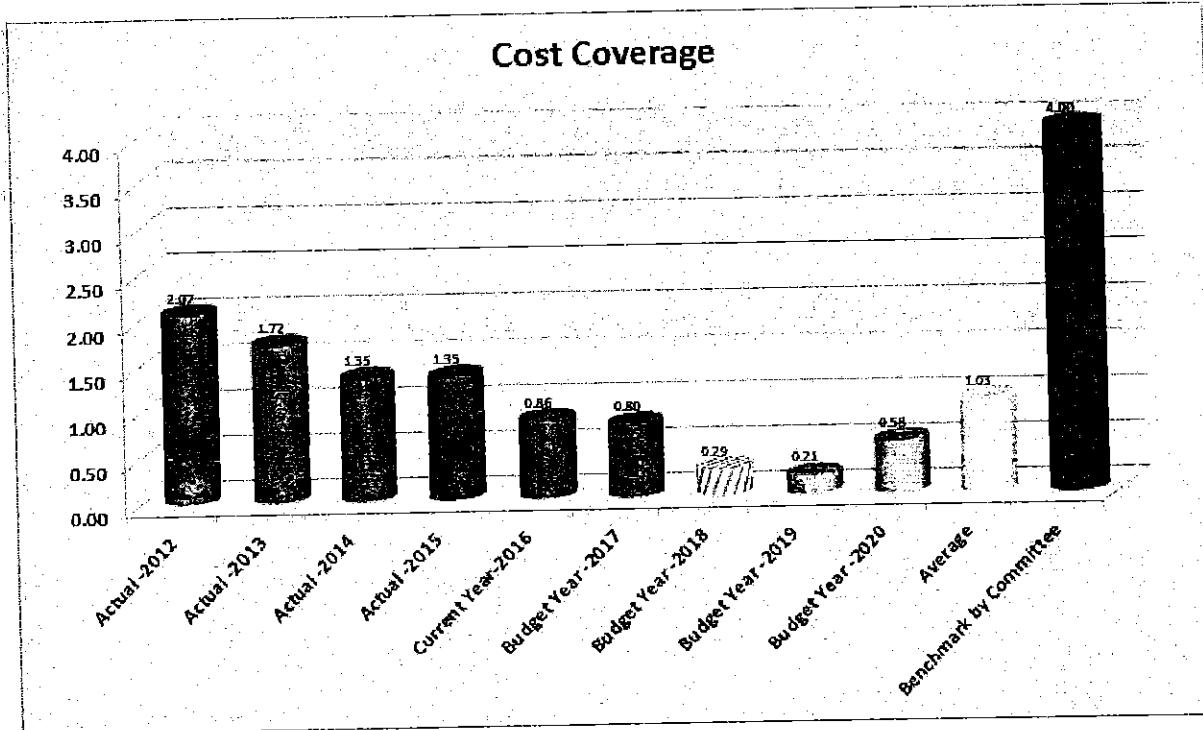


Similar to the indicator discussed in 1.4.1.3, the municipality will need to cut back on operating expenditure to ensure that this indicator becomes more favorable than the current possible score out of 8.

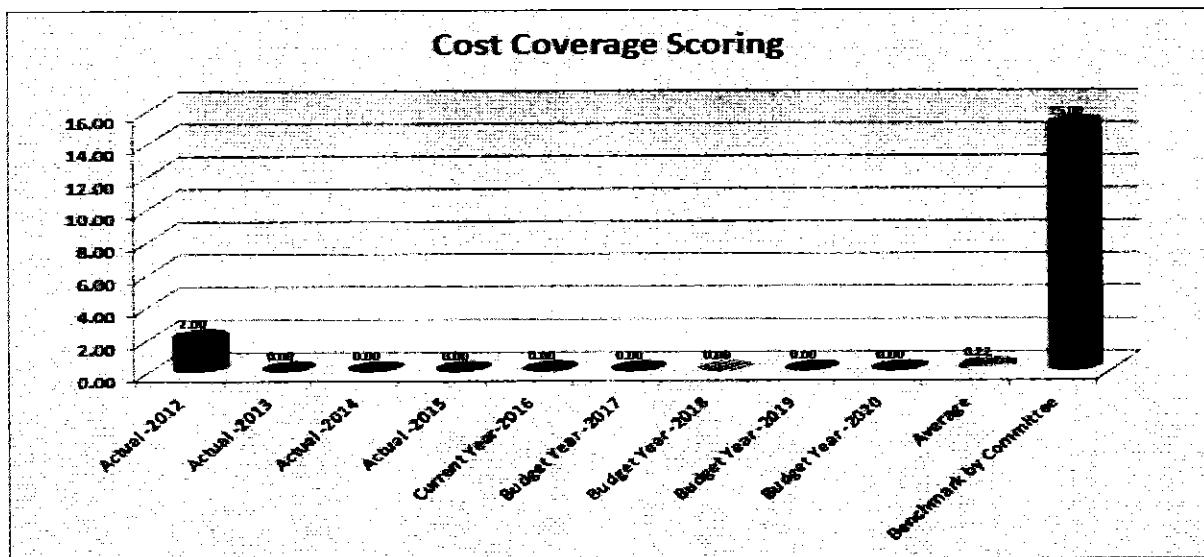


1.4.1.5 Cost Coverage

This ratio measures the amount of months' operating expenditure for which cash is available. This indicator will also provide a good indication of how the municipality will be able to react to financial "shock/setbacks" that is beyond the control of the municipality (for example - National Treasury delays the payments of grants or a sudden drop in payment levels from consumers/rate payers). The guidelines provided by National Treasury indicate that a level of 1 to 3 months is considered to be acceptable. A level of 4 months, which is in line with other municipalities that are considered to be financially sound, is considered to be an acceptable level.

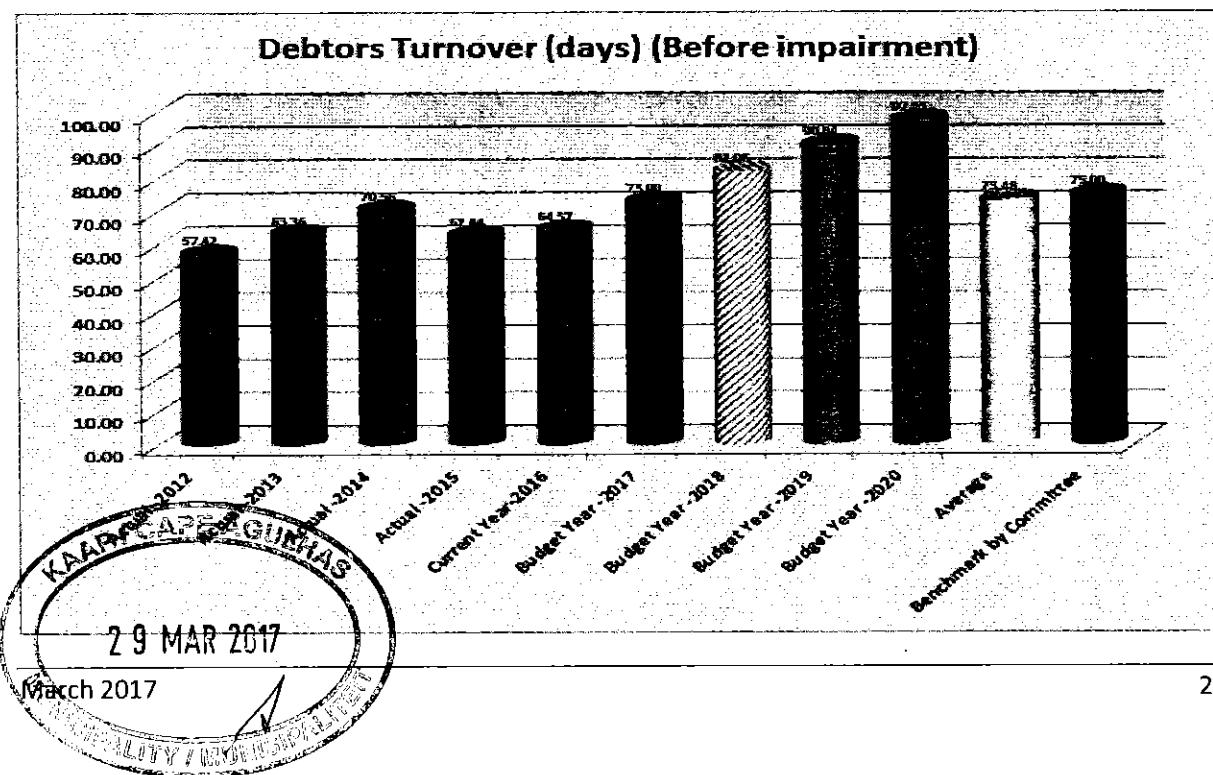


The downward trend is in line with the projected decline in cash resources and accordingly no contribution is made to the viability scoring over the MTREF. It should be noted that the cash levels of the municipality is expected to increase over the outer years of the MTREF. This increase is however not yet sufficient to ensure that the ratio will contribute to the scoring.

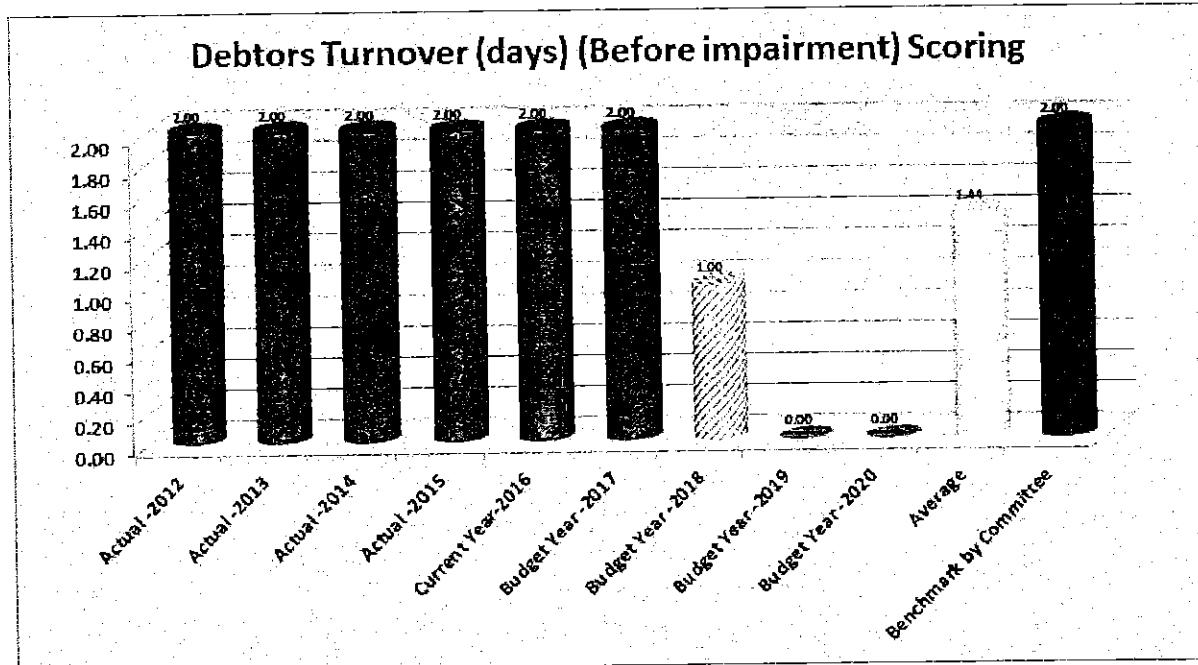


1.4.1.6 Debtor Turnover Days

In short, the indicator provides an indication of how many days it takes to convert billed revenue into cash. Thus, it is a good indicator of how credit control and debt collection measures are being implemented at the municipality. It also provides an indication of the municipality's write off policy. High standards are maintained when it comes to debt collection. The upward trend evident below can only be attributed to the municipality not writing off old irrecoverable debt. Not only does this result in a sharp increase in consumer debt, but it also contribute to significant interest charges to be levied in the statement of financial performance. Although considered to be revenue, very little interest revenue will translate into cash.



A total score of only 2 is available for this indicator.

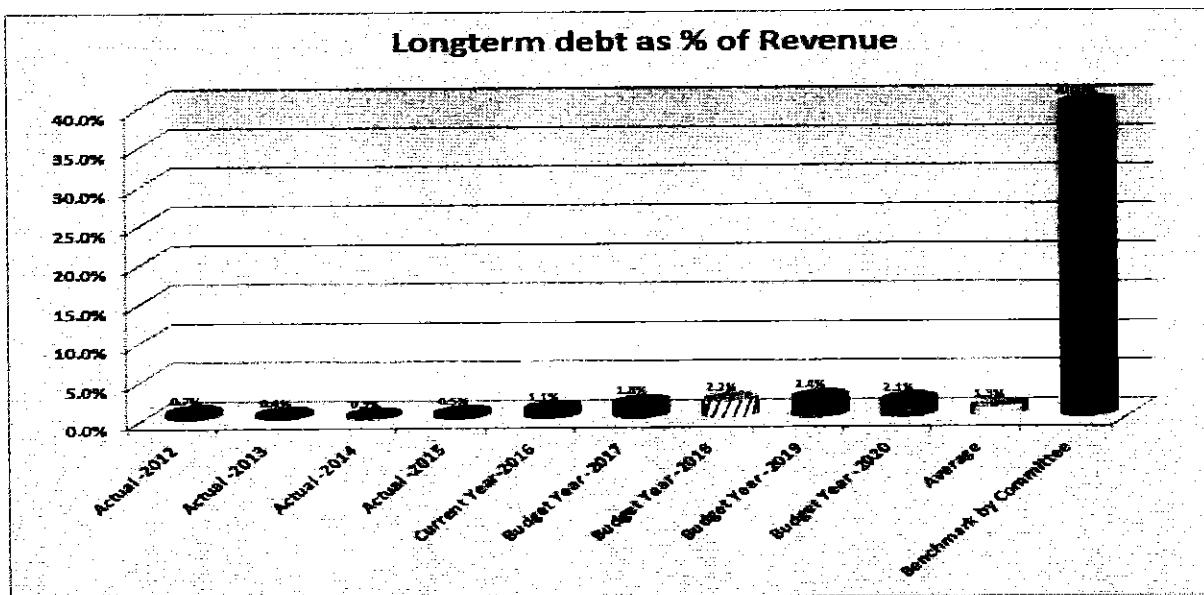


1.4.1.7 Long Term Debt as % of Revenue

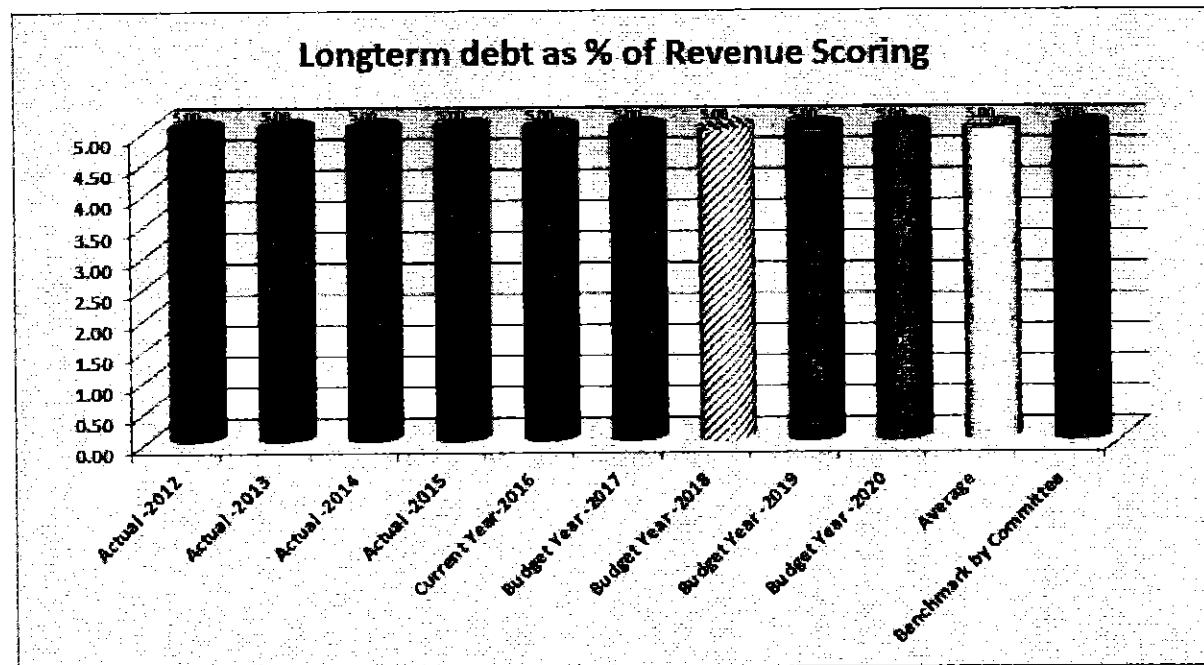
External borrowing is an important part of the funding model of the municipality. Not only does it instantly provide the municipality with relatively inexpensive capital to fast-track service delivery and infrastructure backlogs, but it also ensures that the user of the infrastructure pay for the use over the lifetime of the asset. The current capital program provides for a significant portion of the program to be financed through external financing.

This indicator provides the municipality with a debt ceiling – the maximum level of external borrowing that the municipality will be able to accommodate in the in the statement of financial position before the "affordability" factor becomes a concern.

Currently the municipality is operating well below the debt ceiling of 40%. This is an area that the municipality should definitely explore as a funding option over and above current borrowings factored into the MTREF.



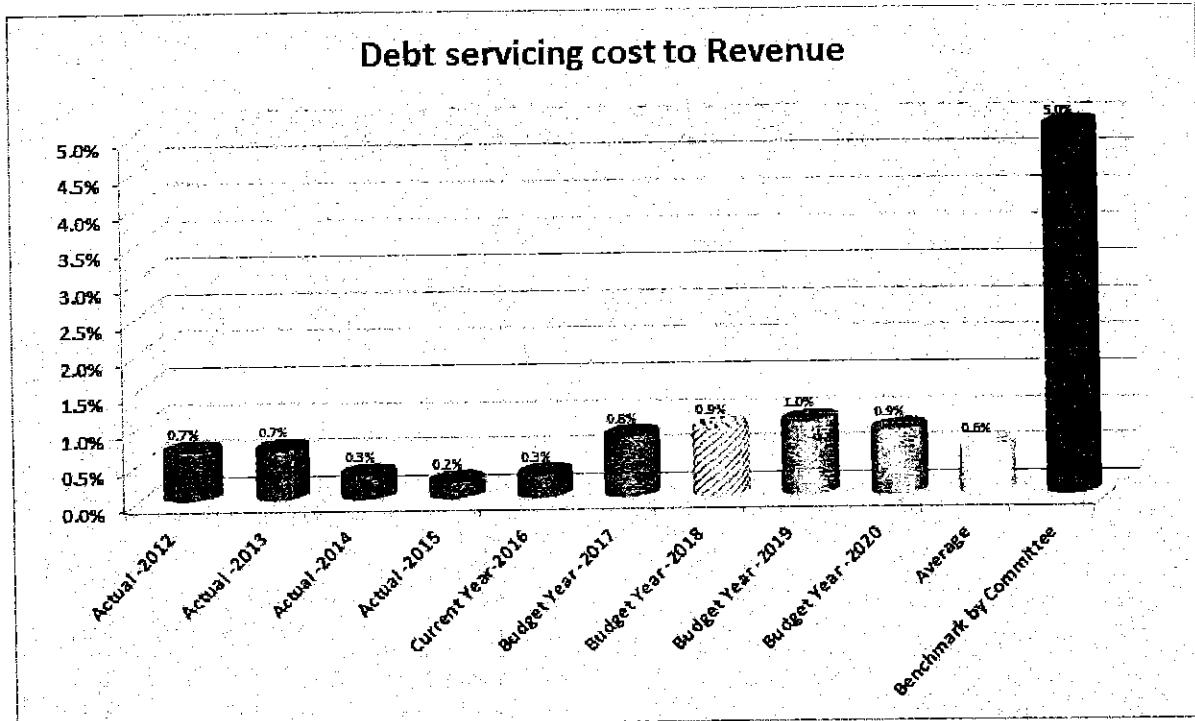
A full score is allocated to this indicator for all periods under review, although it should be noted that the municipality is not make full use of the benefits available in this area.



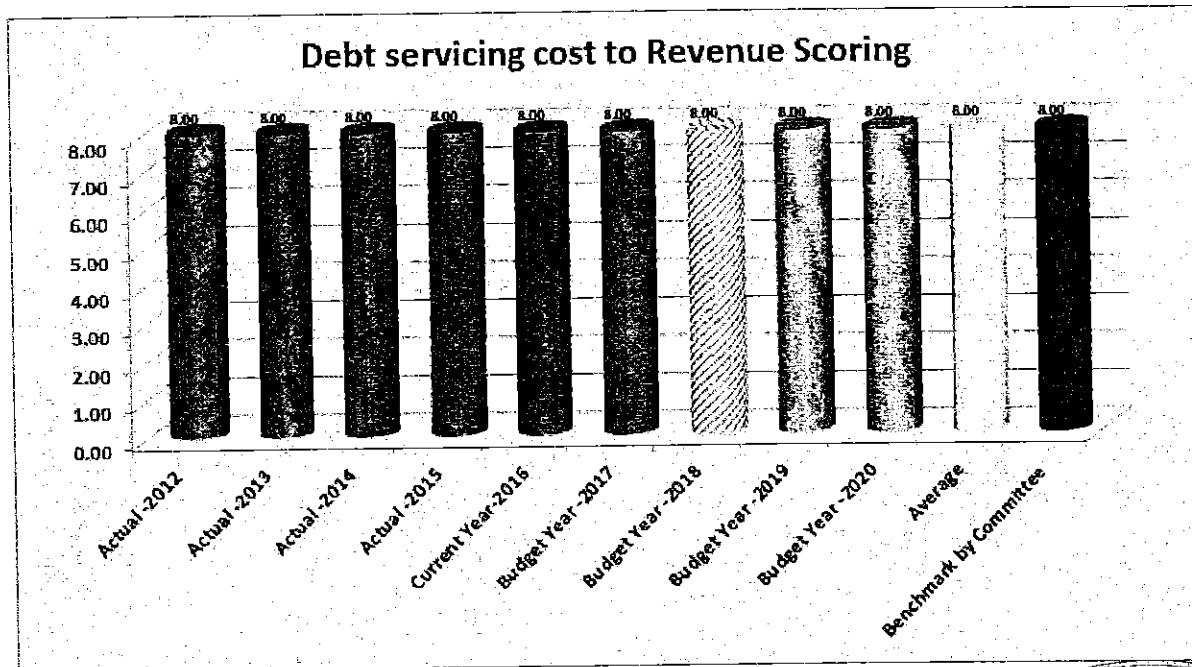
1.4.1.8 Debt Servicing Cost to Revenue

This indicator should be reviewed in conjunction with the debt ceiling as discussed in section 1.4.1.8 and is a measure of the ability of the operating budget to finance loan installments when they become due. A level of 5% is considered to be affordable.

Based on the fact that the municipality is operating well below the debt ceiling, the municipality is performing well on this indicator.

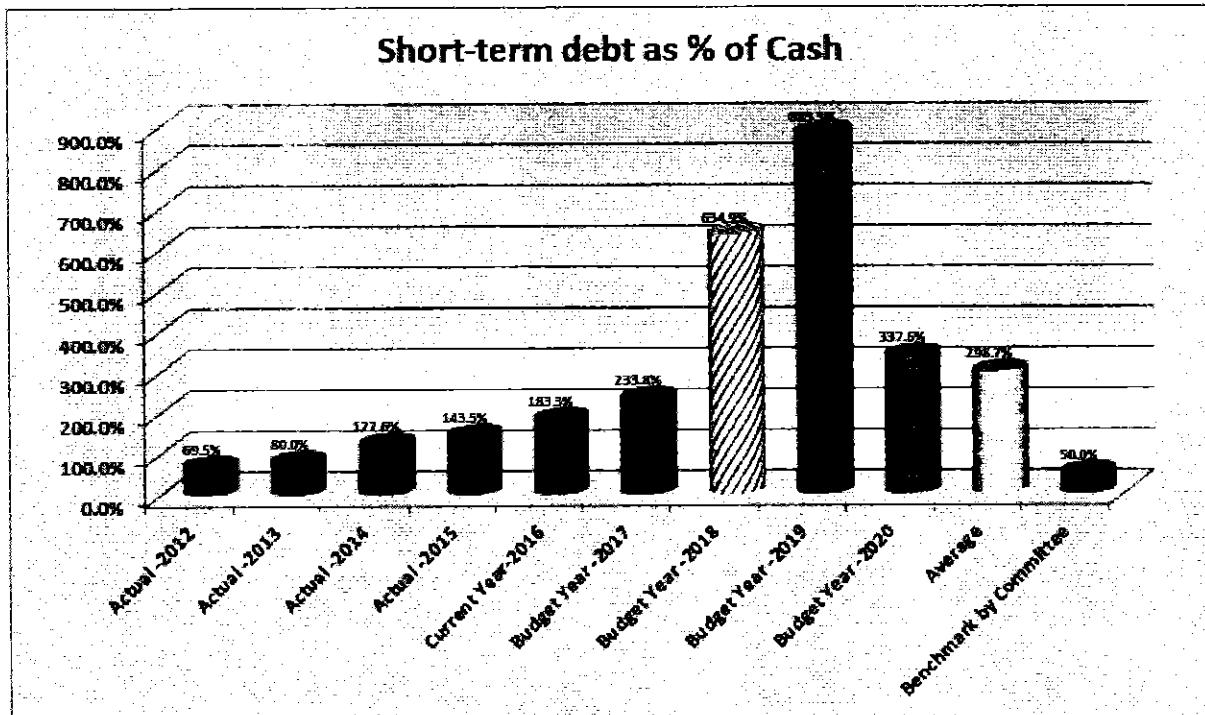


From a possible score of 8, the municipality will be allocated a full score in all periods under review.



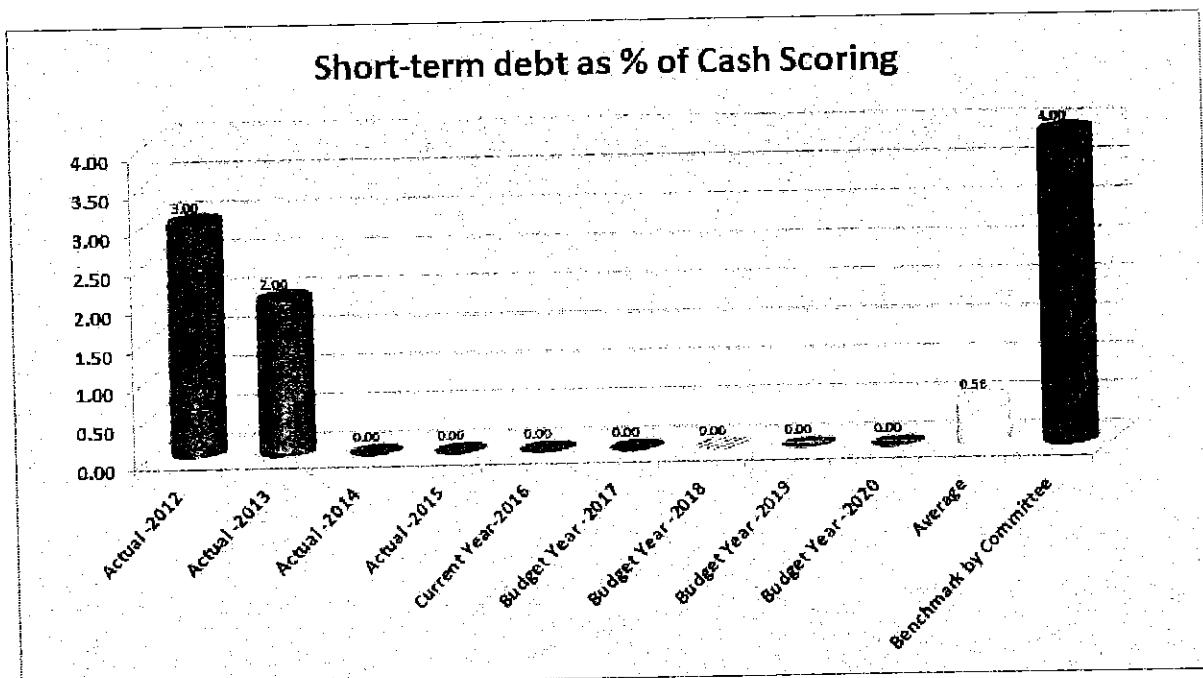
1.4.1.9 Short Term Debt as % of Cash

This indicator provides a measure of the municipality's ability to settle short term liabilities when they become due and payable. The trend below is an indication that the municipality will not be able to pay liabilities when they become due over the MTREF. A level below 50% is considered to be acceptable.



As cash resources decline and short term liabilities increase, the scoring allocated to this indicator will drop to zero.

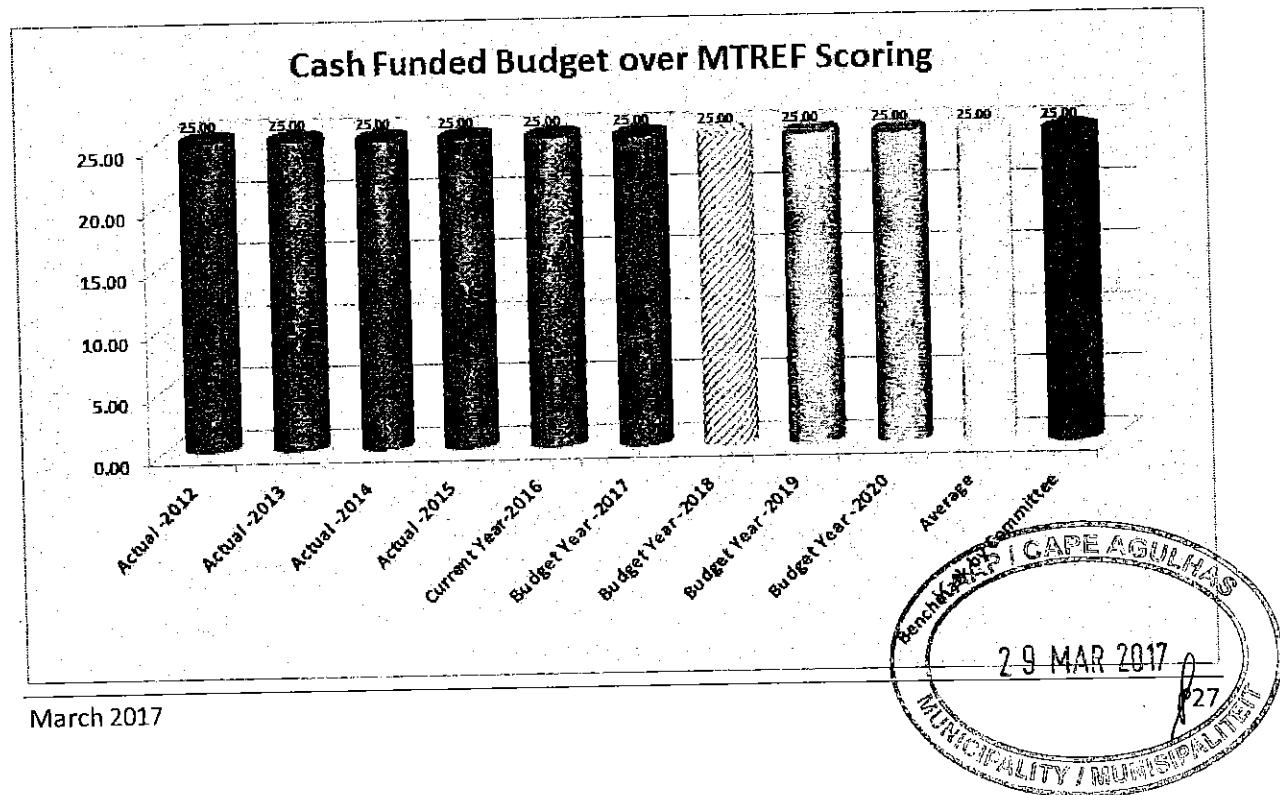




1.4.1.10 Cash Funded Budget over the MTREF

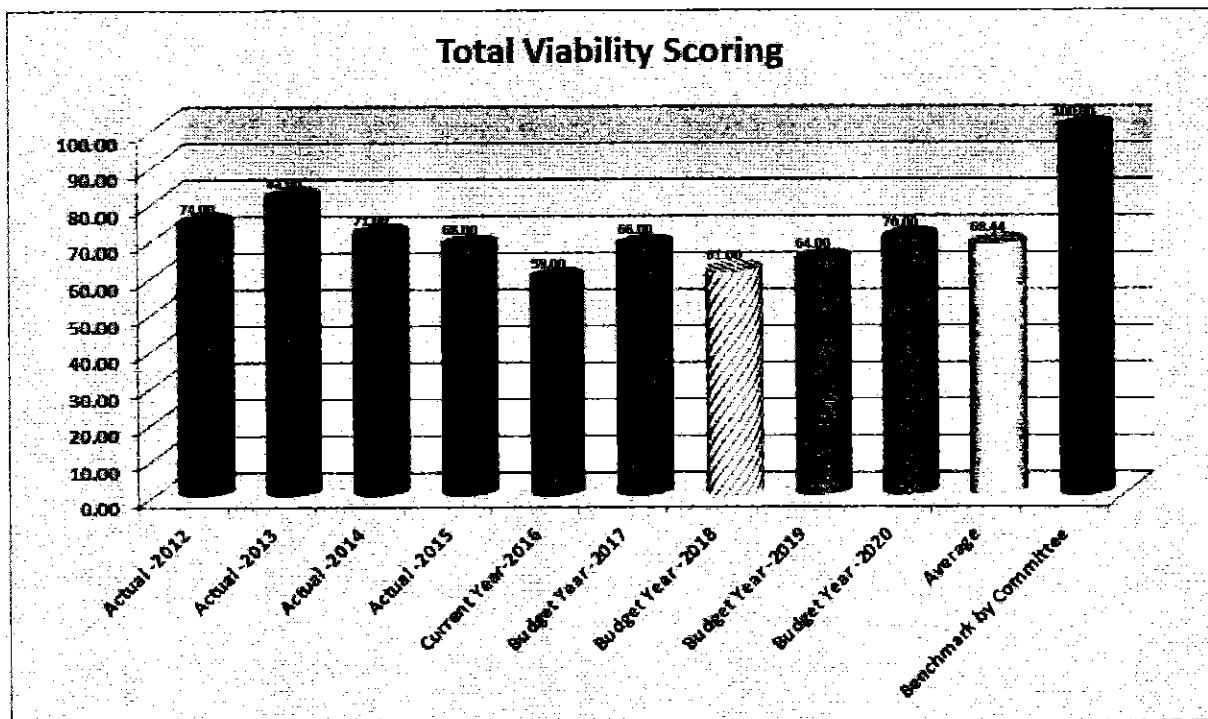
A cash funded budget is arguably the most important indicator for a credible budget that is aligned to the funding requirement in MFMA Section 18 and for this reason the indicator carries the largest weighting in the financial viability scoring model.

The entire MTREF will be cash funded.



1.4.1.11 Total Viability Scoring

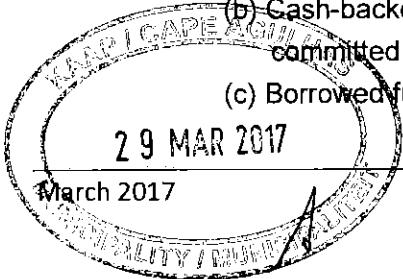
Based on the outcome of the 10 indicators above, it is expected that the viability scoring will regress from 2016/17 to 2017/18 before it gradually improves over the remainder of the MTREF. The municipality should however consider the necessary adjustments to the current proposed budget that will not result in the upward momentum gained from 2015/2016 to 2016/2017 being lost at the start of the 2017/2018 MTREF.



1.5 Operating Revenue Framework

Section 18 of the Municipal Finance Management Act, 2003, which deals with the funding of expenditure, states as follows:

- (1) "An annual budget may only be funded from –
 - (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
 - (b) Cash-backed accumulated funds from previous financial years' surpluses not committed for other purposes; and
 - (c) Borrowed funds, but only for the capital budget referred to in section 17(2).



(2) Revenue projections in the budget must be realistic, taking into account –

- (a) projected revenue for the current year based on collection levels to date; and
- (b) actual revenue collected in previous years."

The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Revenue By Source				
Property rates	54 429	58 939	64 288	70 121
Service charges - electricity revenue	97 447	100 856	105 898	111 192
Service charges - water revenue	21 726	23 388	25 178	27 103
Service charges - sanitation revenue	7 565	8 176	8 835	9 546
Service charges - refuse revenue	13 910	14 727	15 884	17 130
Rental of facilities and equipment	2 003	2 056	2 001	2 027
Interest earned - external investments	2 050	2 060	2 215	2 381
Interest earned - outstanding debtors	876	1 496	1 627	1 775
Fines, penalties and forfeits	8 643	9 271	9 964	10 709
Licences and permits	30	61	65	69
Agency services	2 303	2 419	2 514	2 624
Transfers and subsidies	52 543	55 606	57 246	79 783
Other revenue	7 372	7 769	8 259	8 438
Total Revenue (excluding capital transfers and contributions)	270 897	286 823	303 972	342 897

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.



Summary of revenue classified by municipal vote

Vote Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Revenue by Vote				
Vote 1 - Executive and Council	14 391	15 985	17 888	19 466
Vote 2 - Budget and Treasury Office	59 846	65 019	70 820	78 141
Vote 3 - Corporate Services	4 309	2 588	2 590	2 680
Vote 4 - Community Services	52 653	56 582	56 636	78 487
Vote 5 - Infrastructure Services	51 828	55 434	59 586	64 049
Vote 6 - Electricity	99 773	104 525	108 414	118 435
Total Revenue by Vote	282 799	300 132	315 933	361 257

Percentage growth in revenue base by main revenue source

Description R thousand	2016/17		2017/18 Medium Term Revenue & Expenditure Framework					
	Full Year Forecast	%	Budget Year 2017/18	%	Budget Year +1 2018/19	%	Budget Year +2 2019/20	%
Revenue By Source								
Property rates	54 429	20%	58 939	21%	64 288	21%	70 121	20%
Service charges - electricity revenue	97 447	36%	100 856	35%	105 898	35%	111 192	32%
Service charges - water revenue	21 726	8%	23 388	8%	25 178	8%	27 103	8%
Service charges - sanitation revenue	7 565	3%	8 176	3%	8 835	3%	9 546	3%
Service charges - refuse revenue	13 910	5%	14 727	5%	15 884	5%	17 130	5%
Rental of facilities and equipment	2 003	1%	2 056	1%	2 001	1%	2 027	1%
Interest earned - external investments	2 050	1%	2 060	1%	2 215	1%	2 381	1%
Interest earned - outstanding debtors	876	0%	1 496	1%	1 627	1%	1 775	1%
Fines, penalties and forfeits	8 643	3%	9 271	3%	9 964	3%	10 709	3%
Licences and permits	30	0%	61	0%	65	0%	69	0%
Agency services	2 303	1%	2 419	1%	2 514	1%	2 624	1%
Transfers and subsidies	52 543	19%	55 606	19%	57 246	19%	79 783	23%
Other revenue	7 372	3%	7 769	3%	8 259	3%	8 438	2%
Total Revenue (excluding capital transfers and contributions)	270 897	100%	286 823	100%	303 972	100%	342 897	100%
Total from Services and Rates	195 078	72%	206 086	72%	220 082	72%	235 092	69%

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise between 79 and 73 percent of the total revenue mix.

The municipality remains highly dependent on internal revenue sources to fund the budget, with transfers and grants only contributing 19% to the operating revenue basket. Approximately 9% of the revenue basket can be attributed to equitable share.



The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Operating Transfers and Grant Receipts

Description R thousand	Full Year Forecast	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:				
Operating expenditure of Transfers and Grants				
National Government:	27 297	29 351	31 016	32 895
Local Government Equitable Share	23 075	25 190	27 645	29 808
Energy Efficiency and Demand-side [Schedule 5B]	500	—	—	—
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 210	1 131	—	—
Local Government Financial Management Grant [Schedule 5B]	762	1 150	1 492	1 492
Municipal Infrastructure Grant [Schedule 5B]	1 750	1 880	1 879	595
Municipal Systems Improvement Grant [Schedule 5B]	—	—	—	1 000
	24 305	26 255	26 230	46 888
Provincial Government:				
Human Settlement Development	18 100	20 450	20 000	40 100
Library Service Conditional Grant	4 807	5 425	5 814	6 152
Maintenance of Main Roads	158	84	—	—
Community Development Workers	56	56	56	56
Financial Management Support (WC_FMGSG)	1 118	240	360	480
Thusong Centre	66	—	—	100
Total operating expenditure of Transfers and Grants:	52 543	55 606	57 246	79 783

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6.4 per cent, which is the current inflation rate.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. A recovery rate of approximately 97.4% is factored into the MTREF period.

1.5.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

An increase of 4 per cent in the Property Rates tariff is proposed for 2017/18. This increase does not take into account the general increase in valuations of 7.49% being implemented on 1 July 2017.

March 2017



1.5.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure cost reflective tariffs are achieved.

An average tariff increase of 10.6 per cent is proposed for all users. This increase is above the 6.4 per cent inflation rate.

The following projections are applicable to the water service:

Water	2016/2017 Forecast	2016/2017 Original	2017/2018 Original	2018/2019 Original
Revenue	24 153 300	25 955 685	27 890 159	29 973 948
Expenditure	-15 226 379	-16 839 823	-17 752 829	-18 723 236
Surplus/Deficit	8 926 921	9 115 862	10 137 330	11 250 712
Profit %	36.96%	35.12%	36.35%	37.53%

Although this service is running at a profit from an operating perspective in isolation, the following should also be taken into account when coming to a final conclusion with regards to the service provided:

- The increase in the tariff is aligned to the Long Term financial plan of the municipality. It is imperative that the service generates a surplus not only to provide the required funding needed for capital purposes, but also to increase the cash reserves of the municipality that will ensure that the basic services are provided on a sustainable manner.
- The service should be reviewed in conjunction with the provision of Sewerage and Sanitation Services. It is estimated that 70% of all water consumption eventually filters through into the sewerage systems of the municipality. In order to ensure that the level of services in the municipal area are maintained from a sewerage point of view, it is only considered fair that the large water consumers contribute to the needs of the Sewerage Infrastructure requirements of the municipality. The sewerage service is currently not providing sufficient fund to meet all infrastructure requirements.

Full details regarding the tariffs are included as Appendix A to this document.

1.5.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 2.2 per cent (nominal) increase (which is significantly lower than the original 8% Multi Year Price Determination as a result of higher increases approved in preceding years) in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2017.

An average 10.7 per cent increase is proposed in electricity tariffs. This increase is required to curb the downward trend experienced as a result of large bulk tariff increases experienced in recent years.

Electricity	2016/2017 Forecast	2017/2018 Original	2018/2019 Original	2019/2020 Original
Revenue	100 252 293	103 327 784	108 836 917	114 050 425
Expenditure	-87 834 783	-89 808 222	-94 485 186	-99 409 690
Surplus/Deficit	12 417 510	13 519 562	14 351 731	14 640 735
Profit %	12.39%	13.08%	13.19%	12.84%

Full details regarding the tariffs are included as Appendix A to this document.

1.5.4 Sanitation and Impact of Tariff Increases

An average tariff increase of 9.67 per cent for sanitation from 1 July 2017 is proposed. This increase was required to ensure that the tariff charged is more cost reflective. This increase is above the 6.4 per cent inflation rate. This increase is required due to the fact that the service is currently being operated at a small profit, while there are significant rehabilitation provision included in the Statement of Financial Performance that are currently unfunded. It should also be noted that there is a need for a new dumping facility in the near future that will attract significant costs to establish.

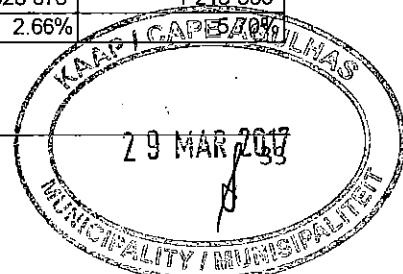
Waste Water Management	2016/2017 Forecast	2016/2017 Original	2017/2018 Original	2018/2019 Original
Revenue	10 567 100	11 352 740	12 198 348	13 108 603
Expenditure	-9 846 581	-10 523 913	-11 040 026	-11 587 838
Surplus/Deficit	720 519	828 827	1 158 322	1 520 765
Profit %	6.82%	7.30%	9.50%	11.60%

1.5.5 Waste Removal and Impact of Tariff Increases

An average tariff increase of 9.67 per cent for sanitation from 1 July 2017 is proposed. This increase was required to ensure that the tariff charged is more cost reflective. This increase is above the 6.4 per cent inflation rate. This increase is required due to the fact that the service is currently being operated at a loss, while there are also significant rehabilitation provisions included in the Statement of Financial Performance that are currently unfunded. It should also be noted that there is a need for a new dumping facility in the near future that will attract significant costs to establish.

Waste Management	2016/2017 Forecast	2016/2017 Original	2017/2018 Original	2018/2019 Original
Revenue	17 486 313	18 514 695	19 895 850	21 381 947
Expenditure	-17 636 579	-18 614 240	-19 366 974	-20 163 367
Surplus/Deficit	-150 266	-99 545	528 876	1 218 580
Profit %	-0.86%	-0.54%	2.66%	

March 2017



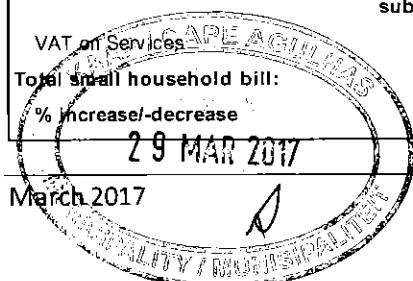
1.5.6 Overall impact of tariff increases on households

Information on the impact on households can is illustrated below.

Description	2016/17	2017/18 Medium Term Revenue & Expenditure Framework			
	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent					
Monthly Account for Household - 'Middle Income Range'					
Rates and services charges:					
Property rates	536.91	4.0%	558.41	600.29	645.31
Electricity: Basic levy	233.56	2.8%	240.00	258.00	277.35
Electricity: Consumption	1 426.50	3.0%	1 469.30	1 579.50	1 697.96
Water: Basic levy	104.24	10.3%	115.00	123.63	132.90
Water: Consumption	148.78	9.6%	163.10	175.33	188.48
Sanitation	104.50	9.6%	114.50	123.09	132.32
Refuse removal	114.50	9.6%	125.50	134.91	145.03
	sub-total	2 668.99	–	2 785.81	2 994.75
VAT on Services	298.49	4.5%	311.84	335.22	360.37
Total large household bill:	2 967.48	–	3 097.65	3 329.97	3 579.72
% increase/-decrease			4.4%	7.5%	7.5%
Monthly Account for Household - 'Affordable Range'					
Rates and services charges:					
Property rates	264.37	4.0%	274.95	295.57	317.74
Electricity: Basic levy	233.56	2.8%	240.00	258.00	277.35
Electricity: Consumption	572.00	3.0%	589.16	633.35	680.85
Water: Basic levy	104.24	10.3%	115.00	123.63	132.90
Water: Consumption	117.23	9.6%	128.46	138.09	148.45
Sanitation	104.50	9.6%	114.50	123.09	132.32
Refuse removal	114.50	9.6%	125.50	134.91	145.03
	sub-total	1 510.40	–	1 587.57	1 706.64
VAT on Services	174.44	5.3%	183.77	197.55	212.37
Total small household bill:	1 684.84	–	1 771.34	1 904.19	2 047.00
% increase/-decrease			5.1%	7.5%	7.5%
Monthly Account for Household - 'Indigent'					
Household receiving free basic services					
Rates and services charges:					
Property rates	22.35	4.0%	23.24	24.98	26.86
Water: Basic levy	20.85	10.3%	23.00	24.73	26.58
Sanitation	20.84	9.9%	22.90	24.62	26.46
Refuse removal	22.88	9.7%	25.10	26.98	29.01
	sub-total	86.92	–	94.24	101.31
VAT on Services	9.04	10.0%	9.94	10.69	11.49
Total small household bill:	95.96	–	104.18	111.99	120.39
% increase/-decrease			8.6%	7.5%	7.5%

29 MAR 2017

March 2017



1.6 Operating Expenditure Framework

Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation. With the implementation of cost containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential and non-priority activities.

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure):

Table 1 Summary of operating expenditure by standard classification item

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Expenditure By Type				
Employee related costs	103 603	114 737	122 079	130 051
Remuneration of councillors	4 786	5 145	5 530	5 945
Debt impairment	7 400	7 833	8 412	8 961
Depreciation & asset impairment	10 888	11 440	11 590	11 747
Finance charges	8 527	8 734	8 969	9 229
Bulk purchases	75 021	76 678	80 512	84 538
Other materials	36 799	38 879	39 117	60 181
Contracted services	17 804	16 735	15 260	16 716
Transfers and subsidies	2 339	2 204	2 265	2 319
Other expenditure	20 750	21 462	22 461	23 652
Total Expenditure	287 917	303 847	316 196	353 339

The budgeted allocation for employee related costs for the 2017/18 financial year totals R114.737 million, which equals 37.76 per cent of the total operating expenditure. This percentage is set to remain very constant over the two outer years of the MTREF at 38.6 per cent and 36.8 per cent (Decrease mainly due to large Housing allocation) respectively. However, before the municipality reaches any conclusions with regards to levels of employee related costs of the municipality, the municipality should assess the impact of any items that could distort these figures. The municipality should for example exclude any material conditional grant expenditure that can fluctuate significantly year-on year.

The increase in Employee Related Costs takes into account the multi-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

March 2017



Furthermore, the Employee Related Costs also incorporates a notch increase in terms of TASK which equates to 2.4 per cent.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

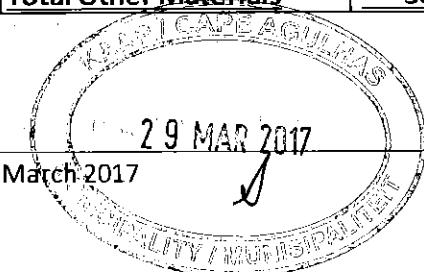
The provision of debt impairment was determined based on an annual collection rate of 97.4 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption.

Bulk purchases are largely informed by the purchase of electricity from Eskom, which amounted to 2.2%. Although the municipality is not in control of the increase in the cost of bulk purchases, the municipality could still implement measures to reduce distribution losses as well as internal consumption.

Other materials consist out of all items that are accounted for using inventory accounts in the mSCOA structure. The following items are included in Other Materials:

Type	2016/17 Forecast	2017/18 Budget	2018/19 Budget	2019/20 Budget
Animal Welfare Materials	40 000.00	54 600.00	57 300.00	60 200.00
Chemicals	2 340 000.00	2 480 000.00	2 604 000.00	2 734 200.00
Cleaning Materials	281 980.00	306 090.00	296 555.00	310 928.00
Electricity Connections	176 000.00	186 740.00	196 100.00	205 900.00
First Aid Equipment	27 500.00	11 900.00	12 400.00	13 150.00
Fuel	2 732 700.00	2 784 580.00	2 937 950.00	3 086 180.00
Gas Consumed	45 900.00	47 960.00	50 400.00	53 000.00
Housing Stock	18 100 000.00	20 450 000.00	20 000 000.00	40 100 000.00
Maintenance Materials	11 471 900.00	10 973 203.00	11 317 087.00	11 900 972.00
Oil and Lubricants	69 650.00	72 650.00	76 230.00	79 750.00
Printing Consumables	102 500.00	103 400.00	104 800.00	108 900.00
Refreshments	113 400.00	118 450.00	123 765.00	129 413.00
Refuse Bags	591 000.00	550 500.00	578 000.00	606 900.00
Sewerage Connections	15 000.00	5 000.00	5 300.00	5 600.00
Small Tools	62 500.00	54 200.00	56 900.00	59 700.00
Stationery Consumed	586 676.00	645 917.00	665 283.00	689 795.00
Sundry Consumables	32 300.00	23 400.00	24 600.00	25 900.00
Water Connections	10 000.00	10 000.00	10 500.00	11 000.00
Total Other Materials	36 799 006.00	38 878 590.00	39 117 170.00	60 181 488.00

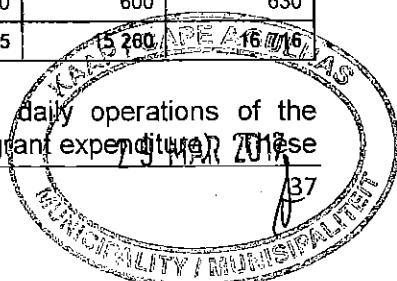


Contracted services consist of the following and are linked to the delivery of primary services. The classification of Contracted Services were largely influenced by the mSCOA chart of accounts.

Description	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand				
Contracted services				
Accounting and Auditing	1 103	975	1 095	1 215
Audit Committee	134	135	140	146
Burial Services	63	56	58	61
Business and Financial Management	1 458	1 483	1 425	1 435
Catering Services	60	60	60	60
Cleaning Services	1	1	1	1
Clearing and Grass Cutting Services	30	25	26	28
Commissions and Committees	417	391	411	427
Communications	150	150	150	150
Contractors_Building	300	300	300	300
Contractors_Electrical	500	—	—	—
Drivers Licence Cards	170	170	170	170
Employee Wellness	150	80	84	88
Engineering_Civil	1 200	1 900	945	992
Event Promoters	10	10	11	11
Fire Services	—	750	1 200	1 200
Gardening Services	57	47	48	49
Haulage	2 030	2 325	2 441	2 563
Human Resources	900	120	127	134
Legal Advice and Litigation	915	865	937	979
Legal Cost_Collection	180	180	230	230
Maintenance of Unspecified Assets	220	200	210	221
Medical Examinations	1	3	3	3
Occupational Health and Safety	54	56	59	62
Organisational	20	20	20	20
Personnel and Labour	2 700	2 750	1 759	1 912
Photographer	4	3	3	4
Removal of Structures and Illegal Signs	10	10	11	11
Research and Advisory	355	505	326	1 350
Security Services	806	1 006	1 059	1 115
Town Planner	1 651	1 150	800	550
Traffic Fines Management	600	500	550	600
Valuer	1 555	510	600	630
Total	17 804	16 735	15 200	16 716

Other expenditure comprises of various line items relating to the daily operations of the municipality (including repairs and maintenance as well as operating grant expenditure).

March 2017



items should be reviewed by the municipality to ensure that all non-priority expenditure is eliminated.

1.6.1 Priority given to repairs and maintenance

National Treasury observed that budget appropriations for asset renewal as part of the capital programme and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority by municipalities, regardless of guidance supplied in previous Budget Circulars. Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget of municipalities.

For the 2017/18 budgets and MTREF's, municipalities must ensure they prioritise asset management and take into consideration the following:

- 1) 40 per cent of its 2017/18 to 2019/20 Capital Budget should be allocated to the renewal of existing assets it.
- 2) Operational repairs and maintenance should not be less than 8 per cent of the asset value (write down value) of the municipality's Property Plant and Equipment (PPE) and / or 6 percent for the 2017/18 aligned with the Long Term Financial Plan approve during December 2015.

The municipality have made great strides to achieve both these benchmarks. A large contributing factor to reaching the required levels of repairs and maintenance can be attributed to the costing system of the municipality where employee related and other costs directly related to repairs and maintenance projects now accurately being allocated to this line item as follows:

Description	2016/17	2017/18 Medium Term Revenue & Expenditure Framework			
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand					
Repairs and Maintenance by Expenditure Item					
Employee related costs	10 032	39 466	42 020	44 767	
Other materials	13 340	13 246	13 779	14 485	
Contracted Services	475	290	305	320	
Other Expenditure	3 503	4 151	4 277	4 566	
Total Repairs and Maintenance Expenditure	27 350	57 153	60 381	64 138	



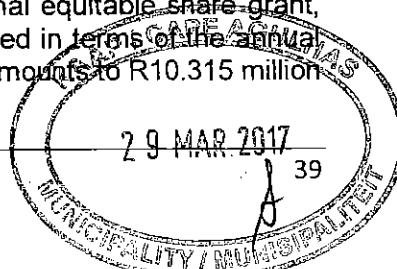
Table 2 Repairs and maintenance per asset class

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE OTHER ITEMS				
Repairs and Maintenance by Asset Class	27 350	57 153	60 381	64 138
<i>Roads Infrastructure</i>	3 634	10 970	11 665	12 407
<i>Electrical Infrastructure</i>	1 469	7 693	8 155	8 647
<i>Water Supply Infrastructure</i>	1 975	9 219	9 792	10 402
<i>Sanitation Infrastructure</i>	2 010	6 441	6 825	7 234
<i>Solid Waste Infrastructure</i>	1 234	1 918	2 026	2 140
Infrastructure	10 322	36 241	38 463	40 830
Community Facilities	4 111	4 377	4 657	4 966
Sport and Recreation Facilities	1 792	4 240	4 509	4 788
Community Assets	5 903	8 616	9 166	9 753
Operational Buildings	4 184	4 933	5 191	5 521
Other Assets	4 184	4 933	5 191	5 521
Licences and Rights	2 660	3 128	3 206	3 432
Intangible Assets	2 660	3 128	3 206	3 432
Computer Equipment	90	68	72	75
Furniture and Office Equipment	165	93	98	102
Machinery and Equipment	674	595	546	574
Transport Assets	3 351	3 478	3 640	3 850
TOTAL EXPENDITURE OTHER ITEMS	38 237	68 593	71 971	75 885
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	68.0%	77.2%	67.1%	64.3%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	158.9%	167.0%	125.4%	114.6%
<i>R&M as a % of PPE</i>	7.3%	14.7%	15.1%	15.7%
<i>Renewal and upgrading and R&M as a % of PPE</i>	11.0%	18.0%	17.0%	17.0%

1.6.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the Annual Division of Revenue Act. The cost associated with indigent subsidies amounts to R10.315 million.



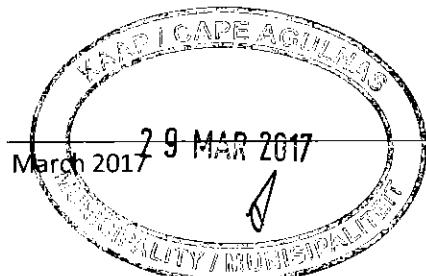
in 2017/18 and increases to R 10.923 million and R11.566 million in the 2 outer years respectively. These figures do not include the 50 kWh electricity provided to indigents.

1.7 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 3 2017/18 Medium-term capital budget per vote

Vote Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Capital expenditure - Vote				
Multi-year expenditure to be appropriated				
Vote 1 - Executive and Council	—	—	—	—
Vote 2 - Budget and Treasury Office	—	—	—	—
Vote 3 - Corporate Services	30	—	—	—
Vote 4 - Community Services	—	650	1 770	640
Vote 5 - Infrastructure Services	4 118	5 634	8 515	11 302
Vote 6 - Electricity	200	250	250	—
Capital multi-year expenditure sub-total	4 348	6 534	10 535	11 942
Single-year expenditure to be appropriated				
Vote 1 - Executive and Council	573	272	—	—
Vote 2 - Budget and Treasury Office	369	11	—	—
Vote 3 - Corporate Services	2 303	1 357	1 022	378
Vote 4 - Community Services	4 632	1 955	3 151	952
Vote 5 - Infrastructure Services	9 802	9 875	3 215	650
Vote 6 - Electricity	3 424	4 748	3 743	7 000
Capital single-year expenditure sub-total	21 104	18 217	11 131	8 979
Total Capital Expenditure - Vote	25 452	24 751	21 666	20 921



The following table provides more information on the breakdown of the capital budget.

Description R thousand	Full Year Forecast	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE				
Total New Assets	8 154	5 645	7 136	7 460
<i>Roads Infrastructure</i>	200	100	100	—
<i>Storm water Infrastructure</i>	—	200	200	—
<i>Electrical Infrastructure</i>	1 712	3 550	2 385	7 000
<i>Water Supply Infrastructure</i>	2 377	—	—	—
Infrastructure	4 289	3 850	2 685	7 000
Community Facilities	1 454	175	1 120	—
Sport and Recreation Facilities	—	50	1 454	—
Community Assets	1 454	225	2 574	—
Operational Buildings	150	190	—	—
Other Assets	150	190	—	—
Licences and Rights	7	8	—	—
Intangible Assets	7	8	—	—
Computer Equipment	1 111	213	322	95
Furniture and Office Equipment	454	185	27	35
Machinery and Equipment	490	504	348	330
Transport Assets	200	470	1 180	—
Total Renewal of Existing Assets	4 460	4 290	782	317
<i>Roads Infrastructure</i>	750	1 000	—	—
<i>Water Supply Infrastructure</i>	915	10	—	—
<i>Sanitation Infrastructure</i>	1 580	877	—	—
Infrastructure	3 244	1 887	—	—
Community Facilities	—	250	—	—
Community Assets	—	250	—	—
Operational Buildings	400	—	—	—
Other Assets	400	—	—	—
Computer Equipment	114	134	168	180
Furniture and Office Equipment	198	168	192	110
Machinery and Equipment	503	1 852	47	27
Transport Assets	—	—	375	—



Description R thousand	Full Year Forecast	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Total Upgrading of Existing Assets	12 839	14 815	13 749	13 145
<i>Roads Infrastructure</i>	6 585	10 546	9 915	11 702
<i>Storm water Infrastructure</i>	700	—	—	—
<i>Electrical Infrastructure</i>	1 829	1 311	1 358	—
<i>Water Supply Infrastructure</i>	469	100	—	—
<i>Solid Waste Infrastructure</i>	—	350	—	—
Infrastructure	9 583	12 307	11 273	11 702
Community Facilities	1 772	715	1 030	1 000
Sport and Recreation Facilities	750	550	870	340
Community Assets	2 522	1 265	1 900	1 340
Operational Buildings	—	45	—	—
Other Assets	—	45	—	—
Licences and Rights	140	26	—	—
Intangible Assets	140	26	—	—
Computer Equipment	274	957	521	103
Furniture and Office Equipment	92	60	55	—
Machinery and Equipment	228	155	—	—
Total Capital Expenditure				
<i>Roads Infrastructure</i>	7 535	11 646	10 015	11 702
<i>Storm water Infrastructure</i>	700	200	200	—
<i>Electrical Infrastructure</i>	3 541	4 861	3 743	7 000
<i>Water Supply Infrastructure</i>	3 761	110	—	—
<i>Sanitation Infrastructure</i>	1 580	877	—	—
<i>Solid Waste Infrastructure</i>	—	350	—	—
Infrastructure	17 116	18 044	13 958	18 702
Community Facilities	3 226	1 140	2 150	1 000
Sport and Recreation Facilities	750	600	2 324	340
Community Assets	3 976	1 740	4 474	1 340
Operational Buildings	550	235	—	—
Other Assets	550	235	—	—
Licences and Rights	147	34	—	—
Intangible Assets	147	34	—	—
Computer Equipment	1 499	1 303	1 011	378
Furniture and Office Equipment	744	413	274	145
Machinery and Equipment	1 221	2 511	395	357
Transport Assets	200	470	1 555	—
TOTAL CAPITAL EXPENDITURE - Asset class	25 452	24 751	21 666	20 921



1.8 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF to be approved by the Council.

Table A1 - Budget Summary

Description	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
R thousands				
Financial Performance				
Property rates	54 429	58 839	64 288	70 121
Service charges	140 649	147 147	155 794	164 971
Investment revenue	2 050	2 060	2 215	2 381
Transfers recognised - operational	52 543	55 606	57 246	79 783
Other own revenue	21 227	23 071	24 430	25 641
	270 897	286 823	303 972	342 897
Total Revenue (excluding capital transfers and contributions)				
Employee costs	103 603	114 737	122 079	130 051
Remuneration of councillors	4 786	5 145	5 530	5 945
Depreciation & asset impairment	10 888	11 440	11 590	11 747
Finance charges	8 527	8 734	8 969	9 229
Materials and bulk purchases	111 820	115 557	119 629	144 719
Transfers and grants	2 339	2 204	2 265	2 319
Other expenditure	45 955	46 030	46 133	49 329
	287 917	303 847	316 196	353 339
Total Expenditure				
Surplus/(Deficit)				
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(17 020)	(17 023)	(12 224)	(10 442)
Contributions recognised - capital & contributed assets	11 902	13 309	11 961	18 360
	—	—	—	—
Surplus/(Deficit) for the year				
	(5 118)	(3 715)	(262)	7 918
Capital expenditure & funds sources				
Capital expenditure				
Transfers recognised - capital	25 452	24 751	21 666	20 921
Borrowing	11 902	13 309	11 961	18 352
Internally generated funds	4 053	3 366	3 868	1 240
	9 497	8 076	5 837	1 329
Total sources of capital funds				
	25 452	24 751	21 666	20 921

March 2017



Description R thousands	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Financial position				
Total current assets	46 495	43 246	48 345	63 642
Total non current assets	417 261	430 545	440 593	449 741
Total current liabilities	35 624	37 260	39 263	42 897
Total non current liabilities	122 355	134 468	147 876	160 767
Community wealth/Equity	305 777	302 062	301 800	309 718
Cash flows				
Net cash from (used) operating	23 527	13 665	18 413	29 767
Net cash from (used) investing	(25 425)	(24 724)	(21 639)	(20 894)
Net cash from (used) financing	2 748	1 693	1 802	(612)
Cash/cash equivalents at the year end	15 235	5 869	4 445	12 705
Cash backing/surplus reconciliation				
Cash and investments available	15 235	5 869	4 445	12 705
Application of cash and investments	(14 951)	(19 785)	(25 508)	(29 526)
Balance - surplus (shortfall)	30 186	25 654	29 952	42 232
Asset management				
Asset register summary (WDV)	417 061	430 372	440 448	449 622
Depreciation	10 888	11 440	11 590	11 747
Renewal of Existing Assets	4 460	4 290	782	317
Repairs and Maintenance	27 350	57 153	60 381	64 138
Free services				
Cost of Free Basic Services provided	8 684	9 205	9 757	10 343
Revenue cost of free services provided	410	1 110	1 166	1 224
Households below minimum service level				
Water:	1	1	1	1
Sanitation/sewage:	1	1	1	1
Energy:	1	1	1	1
Refuse:	—	—	—	—



March 2017

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The accumulated surplus is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.



MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework			
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional					
<i>Governance and administration</i>	88 702	95 223	101 957	111 262	
Executive and council	14 391	15 985	17 888	19 466	
Finance and administration	74 310	79 238	84 069	91 797	
<i>Community and public safety</i>	30 734	32 515	32 680	53 279	
Community and social services	5 971	5 977	6 227	6 687	
Sport and recreation	6 663	6 088	6 453	6 492	
Housing	18 100	20 450	20 000	40 100	
<i>Economic and environmental services</i>	11 763	12 436	13 297	14 231	
Planning and development	874	874	954	1 042	
Road transport	10 889	11 562	12 343	13 190	
<i>Trading services</i>	151 601	159 959	168 000	182 484	
Energy sources	99 773	104 525	108 414	118 435	
Water management	23 929	25 723	27 652	29 726	
Waste water management	10 487	11 272	12 115	13 022	
Waste management	17 412	18 439	19 818	21 301	
Total Revenue - Functional	282 799	300 132	315 933	361 257	
Expenditure - Functional					
<i>Governance and administration</i>	85 377	90 511	93 357	99 761	
Executive and council	13 304	13 910	14 711	15 547	
Finance and administration	70 523	75 014	76 968	82 445	
Internal audit	1 550	1 587	1 678	1 770	
<i>Community and public safety</i>	37 778	41 291	42 025	63 566	
Community and social services	8 202	8 533	9 082	9 708	
Sport and recreation	10 019	10 646	11 172	11 871	
Housing	19 557	22 112	21 771	41 987	
<i>Economic and environmental services</i>	36 240	38 431	40 513	42 656	
Planning and development	8 727	9 099	8 895	9 147	
Road transport	27 513	29 331	31 617	33 509	
<i>Trading services</i>	128 522	133 614	140 302	147 355	
Energy sources	86 254	88 085	92 607	97 362	
Water management	15 022	16 634	17 545	18 515	
Waste water management	9 618	10 281	10 783	11 315	
Waste management	17 629	18 614	19 367	20 163	
Total Expenditure - Functional	287 917	303 847	316 196	353 339	
Surplus/(Deficit) for the year	(5 118)	(3 715)	(262)	7 918	

March 2017

46

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

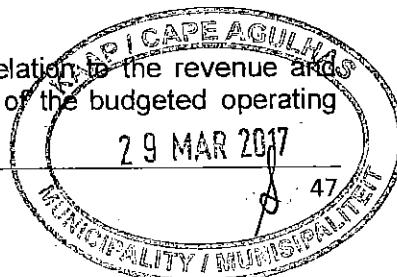
1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 16 mSCOA functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.
4. The table includes capital grant revenue, but excludes internal charges between various departments such as electricity, water, sanitation and refuse. These items, although correctly included/excluded, should also be taken into account before coming to any conclusion with regards to the cost reflectiveness of tariffs and fees raised by the municipality.

MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Revenue by Vote				
Vote 1 - Executive and Council	14 391	15 985	17 888	19 466
Vote 2 - Budget and Treasury Office	59 846	65 019	70 820	78 141
Vote 3 - Corporate Services	4 309	2 588	2 590	2 680
Vote 4 - Community Services	52 653	56 582	56 636	78 487
Vote 5 - Infrastructure Services	51 828	55 434	59 586	64 049
Vote 6 - Electricity	99 773	104 525	108 414	118 435
Total Revenue by Vote	282 799	300 132	315 933	361 257
Expenditure by Vote to be appropriated				
Vote 1 - Executive and Council	17 743	18 493	19 585	20 725
Vote 2 - Budget and Treasury Office	38 005	40 078	42 202	45 461
Vote 3 - Corporate Services	27 306	27 475	28 424	29 915
Vote 4 - Community Services	60 932	68 411	69 039	92 307
Vote 5 - Infrastructure Services	57 678	61 306	64 339	67 568
Vote 6 - Electricity	86 254	88 085	92 607	97 362
Total Expenditure by Vote	287 917	303 847	316 196	353 339
Surplus/(Deficit) for the year	(5 118)	(3 715)	(262)	7 918

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating



performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Revenue By Source				
Property rates	54 429	58 939	64 288	70 121
Service charges - electricity revenue	97 447	100 856	105 898	111 192
Service charges - water revenue	21 726	23 388	25 178	27 103
Service charges - sanitation revenue	7 565	8 176	8 835	9 546
Service charges - refuse revenue	13 910	14 727	15 884	17 130
Rental of facilities and equipment	2 003	2 056	2 001	2 027
Interest earned - external investments	2 050	2 060	2 215	2 381
Interest earned - outstanding debtors	876	1 496	1 627	1 775
Fines, penalties and forfeits	8 643	9 271	9 964	10 709
Licences and permits	30	61	65	69
Agency services	2 303	2 419	2 514	2 624
Transfers and subsidies	52 543	55 606	57 246	79 783
Other revenue	7 372	7 769	8 259	8 438
Total Revenue (excluding capital transfers and contributions)	270 897	286 823	303 972	342 897
Expenditure By Type				
Employee related costs	103 603	114 737	122 079	130 051
Remuneration of councillors	4 786	5 145	5 530	5 945
Debt impairment	7 400	7 833	8 412	8 961
Depreciation & asset impairment	10 888	11 440	11 590	11 747
Finance charges	8 527	8 734	8 969	9 229
Bulk purchases	75 021	76 678	80 512	84 538
Other materials	36 799	38 879	39 117	60 181
Contracted services	17 804	16 735	15 260	16 716
Transfers and subsidies	2 339	2 204	2 265	2 319
Other expenditure	20 750	21 462	22 461	23 652
Total Expenditure	287 917	303 847	316 196	353 339
Surplus/(Deficit)	(17 020)	(17 023)	(12 224)	(10 442)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	11 902	13 309	11 961	18 360
Surplus/(Deficit) for the year	(5 118)	(3 715)	(262)	7 918



March 2017

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures in the annual financial statements of the municipality as well as the mSCOA reporting framework.

MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Capital expenditure - Vote				
Multi-year expenditure to be appropriated				
Vote 3 - Corporate Services	30	—	—	—
Vote 4 - Community Services	—	650	1 770	640
Vote 5 - Infrastructure Services	4 118	5 634	8 515	11 302
Vote 6 - Electricity	200	250	250	—
Capital multi-year expenditure sub-total	4 348	6 534	10 535	11 942
Single-year expenditure to be appropriated				
Vote 1 - Executive and Council	573	272	—	—
Vote 2 - Budget and Treasury Office	369	11	—	—
Vote 3 - Corporate Services	2 303	1 357	1 022	378
Vote 4 - Community Services	4 632	1 955	3 151	952
Vote 5 - Infrastructure Services	9 802	9 875	3 215	650
Vote 6 - Electricity	3 424	4 748	3 743	7 000
Capital single-year expenditure sub-total	21 104	18 217	11 131	8 979
Total Capital Expenditure - Vote	25 452	24 751	21 666	20 921

March 2017



Vote Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework			
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional					
<i>Governance and administration</i>	4 459	2 251	1 897	594	
Executive and council	47	254	—	—	
Finance and administration	4 409	1 996	1 897	594	
Internal audit	2	—	—	—	
<i>Community and public safety</i>	2 658	1 501	3 615	460	
Community and social services	688	334	151	—	
Sport and recreation	1 970	1 167	3 464	460	
<i>Economic and environmental services</i>	9 357	12 470	11 755	12 867	
Planning and development	533	30	—	—	
Road transport	8 824	12 439	11 755	12 867	
<i>Trading services</i>	8 978	8 530	4 400	7 000	
Energy sources	3 624	4 998	3 993	7 000	
Water management	3 761	655	407	—	
Waste water management	1 580	877	—	—	
Waste management	14	2 000	—	—	
Total Capital Expenditure - Functional	25 452	24 751	21 666	20 921	
Funded by:					
National Government	10 464	13 150	11 961	18 352	
Provincial Government	1 438	159	—	—	
Transfers recognised - capital	11 902	13 309	11 961	18 352	
Borrowing	4 053	3 366	3 868	1 240	
Internally generated funds	9 497	8 076	5 837	1 329	
Total Capital Funding	25 452	24 751	21 666	20 921	

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

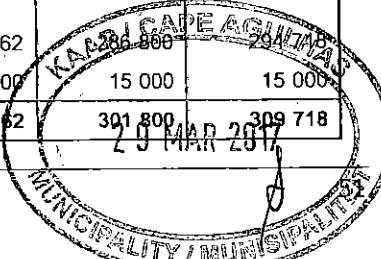
1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose

of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

4. The capital program is funded from National, Provincial and Other grants and transfers, borrowing and internally generated funds from current and prior year surpluses.

MBRR Table A6 - Budgeted Financial Position

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
ASSETS				
Current assets				
Cash	15 235	5 869	4 445	12 705
Consumer debtors	23 555	27 770	32 319	37 235
Other debtors	6 199	8 102	10 076	12 196
Current portion of long-term receivables	27	27	27	27
Inventory	1 478	1 478	1 478	1 478
Total current assets	46 495	43 246	48 345	63 642
Non current assets				
Long-term receivables	200	173	145	118
Investment property	40 240	40 232	40 224	40 216
Property, plant and equipment	375 950	389 527	399 904	409 379
Intangible	871	613	320	27
Total non current assets	417 261	430 545	440 593	449 741
TOTAL ASSETS	463 756	473 791	488 939	513 383
LIABILITIES				
Current liabilities				
Borrowing	1 532	1 919	2 333	2 122
Consumer deposits	4 188	4 377	4 574	4 780
Trade and other payables	15 106	15 168	15 492	17 988
Provisions	14 798	15 796	16 864	18 007
Total current liabilities	35 624	37 260	39 263	42 897
Non current liabilities				
Borrowing	4 410	5 526	6 717	6 110
Provisions	117 945	128 942	141 158	154 657
Total non current liabilities	122 355	134 468	147 876	160 767
TOTAL LIABILITIES	157 979	171 728	187 139	203 665
NET ASSETS	305 777	302 062	301 800	309 718
COMMUNITY WEALTH/EQUITY				
Accumulated Surplus/(Deficit)	290 777	287 062	286 500	286 500
Reserves	15 000	15 000	15 000	15 000
TOTAL COMMUNITY WEALTH/EQUITY	305 777	302 062	301 800	309 718



Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

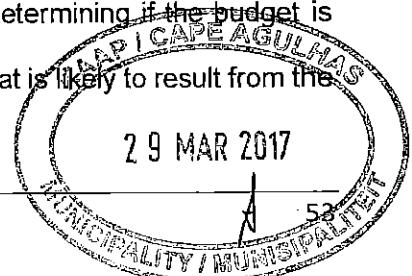


MBRR Table A7 - Budgeted Cash Flow Statement

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	52 471	56 818	61 975	67 597
Service charges	133 620	141 852	150 188	159 035
Other revenue	21 352	15 094	15 845	16 393
Government - operating	52 264	55 606	57 246	79 783
Government - capital	11 902	13 309	11 961	18 360
Interest	2 894	3 502	3 783	4 092
Payments				
Suppliers and employees	(249 043)	(269 815)	(279 812)	(312 642)
Finance charges	(504)	(498)	(508)	(533)
Transfers and Grants	(1 428)	(2 204)	(2 265)	(2 319)
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 527	13 665	18 413	29 767
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Decrease (Increase) in non-current debtors	27	27	27	27
Payments				
Capital assets	(25 452)	(24 751)	(21 666)	(20 921)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(25 425)	(24 724)	(21 639)	(20 894)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing long term/refinancing	4 053	3 366	3 868	1 240
Increase (decrease) in consumer deposits	180	188	197	206
Payments				
Repayment of borrowing	(1 485)	(1 861)	(2 263)	(2 058)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2 748	1 693	1 802	(612)
NET INCREASE/ (DECREASE) IN CASH HELD	851	(9 366)	(1 424)	8 260
Cash/cash equivalents at the year begin:	14 384	15 235	5 869	4 445
Cash/cash equivalents at the year end:	15 235	5 869	4 445	12 705

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.



MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available				
Cash/cash equivalents at the year end	15 235	5 869	4 445	12 705
Cash and investments available:	15 235	5 869	4 445	12 705
Application of cash and investments				
Other working capital requirements	(14 951)	(19 785)	(25 508)	(29 526)
Total Application of cash and investments:	(14 951)	(19 785)	(25 508)	(29 526)
Surplus(shortfall)	30 186	25 654	29 952	42 232

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework is to ensure the budget is funded and aligned to section 18 of the MFMA.



MBRR Table A9 - Asset Management

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework			
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE					
Total New Assets	8 154	5 645	7 136	7 460	
<i>Roads Infrastructure</i>	200	100	100	—	
<i>Storm water Infrastructure</i>	—	200	200	—	
<i>Electrical Infrastructure</i>	1 712	3 550	2 385	7 000	
<i>Water Supply Infrastructure</i>	2 377	—	—	—	
Infrastructure	4 289	3 850	2 685	7 000	
Community Facilities	1 454	175	1 120	—	
Sport and Recreation Facilities	—	50	1 454	—	
Community Assets	1 454	225	2 574	—	
Operational Buildings	150	190	—	—	
Other Assets	150	190	—	—	
Licences and Rights	7	8	—	—	
Intangible Assets	7	8	—	—	
Computer Equipment	1 111	213	322	95	
Furniture and Office Equipment	454	185	27	35	
Machinery and Equipment	490	504	348	330	
Transport Assets	200	470	1 180	—	
Total Renewal of Existing Assets	4 460	4 290	782	317	
<i>Roads Infrastructure</i>	750	1 000	—	—	
<i>Water Supply Infrastructure</i>	915	10	—	—	
<i>Sanitation Infrastructure</i>	1 580	877	—	—	
Infrastructure	3 244	1 887	—	—	
Community Facilities	—	250	—	—	
Community Assets	—	250	—	—	
Operational Buildings	400	—	—	—	
Other Assets	400	—	—	—	
Computer Equipment	114	134	168	180	
Furniture and Office Equipment	198	168	192	110	
Machinery and Equipment	503	1 852	47	27	
Transport Assets	—	—	375	—	



Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Total Upgrading of Existing Assets	12 839	14 815	13 749	13 145
<i>Roads Infrastructure</i>	6 585	10 546	9 915	11 702
<i>Storm water Infrastructure</i>	700	—	—	—
<i>Electrical Infrastructure</i>	1 829	1 311	1 358	—
<i>Water Supply Infrastructure</i>	469	100	—	—
<i>Solid Waste Infrastructure</i>	—	350	—	—
Infrastructure	9 583	12 307	11 273	11 702
Community Facilities	1 772	715	1 030	1 000
Sport and Recreation Facilities	750	550	870	340
Community Assets	2 522	1 265	1 900	1 340
Operational Buildings	—	45	—	—
Other Assets	—	45	—	—
Licences and Rights	140	26	—	—
Intangible Assets	140	26	—	—
Computer Equipment	274	957	521	103
Furniture and Office Equipment	92	60	55	—
Machinery and Equipment	228	155	—	—
Total Capital Expenditure				
<i>Roads Infrastructure</i>	7 535	11 646	10 015	11 702
<i>Storm water Infrastructure</i>	700	200	200	—
<i>Electrical Infrastructure</i>	3 541	4 861	3 743	7 000
<i>Water Supply Infrastructure</i>	3 761	110	—	—
<i>Sanitation Infrastructure</i>	1 580	877	—	—
<i>Solid Waste Infrastructure</i>	—	350	—	—
Infrastructure	17 116	18 044	13 958	18 702
Community Facilities	3 226	1 140	2 150	1 000
Sport and Recreation Facilities	750	600	2 324	340
Community Assets	3 976	1 740	4 474	1 340
Operational Buildings	550	235	—	—
Other Assets	550	235	—	—
Licences and Rights	147	34	—	—
Intangible Assets	147	34	—	—
Computer Equipment	1 499	1 303	1 011	378
Furniture and Office Equipment	744	413	274	145
Machinery and Equipment	1 221	2 511	395	357
Transport Assets	200	470	1 555	—
TOTAL CAPITAL EXPENDITURE - Asset class	25 452	24 751	21 666	20 921



March 2017

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
EXPENDITURE OTHER ITEMS				
Depreciation	10 888	11 440	11 590	11 747
Repairs and Maintenance by Asset Class	27 350	57 153	60 381	64 138
<i>Roads Infrastructure</i>	3 634	10 970	11 665	12 407
<i>Electrical Infrastructure</i>	1 469	7 693	8 155	8 647
<i>Water Supply Infrastructure</i>	1 975	9 219	9 792	10 402
<i>Sanitation Infrastructure</i>	2 010	6 441	6 825	7 234
<i>Solid Waste Infrastructure</i>	1 234	1 918	2 026	2 140
<i>Infrastructure</i>	10 322	36 241	38 463	40 830
Community Facilities	4 111	4 377	4 657	4 966
Sport and Recreation Facilities	1 792	4 240	4 509	4 788
<i>Community Assets</i>	5 903	8 616	9 166	9 753
Operational Buildings	4 184	4 933	5 191	5 521
<i>Other Assets</i>	4 184	4 933	5 191	5 521
Licences and Rights	2 660	3 128	3 206	3 432
<i>Intangible Assets</i>	2 660	3 128	3 206	3 432
Computer Equipment	90	68	72	75
Furniture and Office Equipment	165	93	98	102
Machinery and Equipment	674	595	546	574
Transport Assets	3 351	3 478	3 640	3 850
TOTAL EXPENDITURE OTHER ITEMS	38 237	68 593	71 971	75 885
<i>Renewal and upgrading of Existing Assets as % of total capital expenditure</i>	68.0%	77.2%	67.1%	64.3%
<i>Renewal and upgrading of Existing Assets as % of depreciation</i>	158.9%	167.0%	125.4%	114.6%
<i>R&M as a % of PPE</i>	7.3%	14.7%	15.1%	15.7%
<i>Renewal and upgrading and R&M as a % of PPE</i>	11.0%	18.0%	17.0%	17.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.



MBRR Table A10 - Basic Service Delivery Measurement

Description	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets				
Water:				
Piped water inside dwelling	834	836	836	836
Piped water inside yard (but not in dwelling)	—	—	—	—
Using public tap (at least min. service level)	—	—	—	—
Other water supply (at least min. service level)	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>				
Using public tap (< min. service level)	834	836	836	836
Other water supply (< min. service level)	834	836	836	836
No water supply	—	—	—	—
<i>Below Minimum Service Level sub-total</i>				
Total number of households	1 668	1 672	1 672	1 672
Sanitation/sewage:				
Flush toilet (connected to sewerage)	—	—	—	—
Flush toilet (with septic tank)	—	—	—	—
Chemical toilet	—	—	—	—
Pit toilet (ventilated)	—	—	—	—
Other toilet provisions (> min. service level)	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>				
Bucket toilet	—	—	—	—
Other toilet provisions (< min. service level)	834	836	836	836
No toilet provisions	—	—	—	—
<i>Below Minimum Service Level sub-total</i>				
Total number of households	834	836	836	836
Energy:				
Electricity (at least min. service level)	—	—	—	—
Electricity - prepaid (min. service level)	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>				
Electricity (< min. service level)	834	836	836	836
Electricity - prepaid (< min. service level)	—	—	—	—
Other energy sources	—	—	—	—
<i>Below Minimum Service Level sub-total</i>				
Total number of households	834	836	836	836
Refuse:				
Removed at least once a week	834	836	836	836
<i>Minimum Service Level and Above sub-total</i>				
Removed less frequently than once a week	834	836	836	836
Using communal refuse dump	—	—	—	—
Using own refuse dump	—	—	—	—
Other rubbish disposal	—	—	—	—
No rubbish disposal	—	—	—	—
<i>Below Minimum Service Level sub-total</i>				
Total number of households	834	836	836	836

29 MAR 2017

March 2017

Description	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Households receiving Free Basic Service				
Water (6 kilolitres per household per month)	3 451	3 451	3 451	3 451
Sanitation (free minimum level service)	7 879	7 879	7 879	7 879
Electricity/other energy (50kwh per household per month)	3 451	3 451	3 451	3 451
Refuse (removed at least once a week)	3 451	3 451	3 451	3 451
Cost of Free Basic Services provided - Formal Settlements (R'000)				
Water (6 kilolitres per indigent household per month)	2 200	2 332	2 472	2 620
Sanitation (free sanitation service to indigent households)	2 900	3 074	3 258	3 454
Electricity/other energy (50kwh per indigent household per month)	82	87	92	98
Refuse (removed once a week for indigent households)	3 502	3 712	3 935	4 171
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)				
Total cost of FBS provided	8 684	9 205	9 757	10 343
Highest level of free service provided per household				
Property rates (R value threshold)	50 000	50 000	50 000	50 000
Water (kilolitres per household per month)	6	6	6	6
Sanitation (kilolitres per household per month)	—	—	—	—
Sanitation (Rand per household per month)	21	23	25	26
Electricity (kwh per household per month)	50	50	50	50
Refuse (average litres per week)	—	—	—	—
Revenue cost of subsidised services provided (R'000)				
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	—	—	—	—
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	410	1 110	1 166	1 224
Water (in excess of 6 kilolitres per indigent household per month)	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)	—	—	—	—
Refuse (in excess of one removal a week for indigent households)	—	—	—	—
Municipal Housing - rental rebates	—	—	—	—
Housing - top structure subsidies	—	—	—	—
Other	—	—	—	—
Total revenue cost of subsidised services provided	410	1 110	1 166	1 224



Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

POLITICAL OVERSIGHT OF THE BUDGET PROCESS

Section 53 (1) (a) of the MFMA (no 56 of 2003) stipulates that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality's spending plans. The mayoral committee is one of the key elements in accomplishing the linkage between the IDP and the Budget of a municipality.

SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP and budget-related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP. These key dates are available on the website of the municipality

PURPOSE OF THE BUDGET AND IDP PROCESS PLAN

The purpose of the process plan is to indicate the various planned activities and strategies on which the municipality will embark to compose its Integrated Development Plan for the five year cycle (2017/2018-2021/2022) and the budget for the 2017/2018 financial year and the two outer years.

The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget. It fulfils the role of an operational framework for the IDP and Budget process outlining the manner in which this process was undertaken. In addition, it identifies the activities in the processes around the key statutory annual operational processes of the budget and IDP compilation, performance management implementation and the adoption of the municipality's annual report.

2.1.1 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.



2.1.2 Community Consultation

A full consultation process will be carried out during April 2017. During this process members of the community will be afforded the opportunity to provide inputs and comments on the draft budget presented to them. The comments and inputs will be reviewed and where viable the proposed changes will be incorporated into the final budget to be approved by Council at least 30 days before the start of the next financial year.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The 2017/18 MTREF has therefore been directly informed by the IDP process and the following tables provide the reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.



MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective R thousand	Goal	Goal Code	2017/18 Medium Term Revenue & Expenditure Framework			
			2016	Full Year Forecast 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	23 106	25 206	27 662	29 825
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO2	—	—	—	—
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	10 010	7 895	8 187	8 233
SO4: To create an enabling environment for economic growth and development	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO4	1 130	1 131	—	—
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	—	—	—	—
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	KPA4/SG4/SO6	59 846	65 019	70 820	78 141
SO7: Provision of equitable quality basic services to all households	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO7	(8 684)	(9 205)	(9 757)	(10 343)
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO8	161 649	171 224	179 498	194 383
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	5 462	5 700	5 934	6 276
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	874	874	954	1 042
SO10: Development of sustainable vibrant human settlements	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA5/SG5/SO10	18 100	20 450	20 000	40 100
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO11	417	276	293	411
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO12	10 889	11 562	12 343	13 190
Total Revenue (excluding capital transfers and contributions)			282 795	300 132	315 933	361 257



March 2017

MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2016	2017/18 Medium Term Revenue & Expenditure Framework			
				Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand							
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	19 291	20 244	21 621	23 038	
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO2	3 816	4 076	4 313	4 596	
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	26 530	27 855	29 403	31 232	
SO4: To create an enabling environment for economic growth and development	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO4	1 420	1 390	272	285	
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	1 508	1 553	1 601	1 641	
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	KPA4/SG4/SO6	39 005	40 078	42 202	45 461	
SO7: Provision of equitable quality basic services to all households	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO7	—	—	—	—	
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO8	138 693	144 075	150 508	156 453	
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	6 765	7 133	7 504	8 126	
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	7 045	7 401	7 090	7 230	
SO10: Development of sustainable vibrant human settlements	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA5/SG5/SO10	16 731	21 098	20 686	40 827	
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO11	4 361	4 553	4 771	5 003	
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO12	21 651	24 389	26 134	27 447	
Total Expenditure			287 917	303 847	316 196	353 339	



Table 4 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

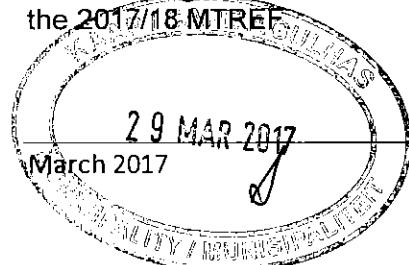
Strategic Objective R thousand	Goal	Goal Code	2016/17	2017/18 Medium Term Revenue & Expenditure Framework			
			Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	910	18	—	—	
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO2	52	294	—	—	
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	4 409	2 537	5 302	1 054	
SO4: To create an enabling environment for economic growth and development	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO4	—	—	—	—	
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	—	—	—	—	
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	KPA4/SG4/SO6	369	11	—	—	
SO7: Provision of equitable quality basic services to all households	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO7	—	—	—	—	
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO8	18 658	19 033	15 723	18 952	
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	551	292	120	—	
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	9	13	—	—	
SO10: Development of sustainable vibrant human settlements	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA5/SG5/SO10	—	—	—	—	
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO11	145	52	31	—	
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO12	348	2 503	490	915	
Total Capital Expenditure			25 452	24 751	21 666	20 921	

Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The following table sets out the municipalities main performance objectives and benchmarks for the 2017/18 MTREF



March 2017

MBRR Table SA7 Measurable performance objectives and indicators

Description	Unit of measurement	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Review the Human Settlement Plan and submit to Council by 30 May 2018	Human Settlement Plan reviewed and submitted to Council for approval	1	1	1
Obtain full Blue Flag status for Duiker Street Beach Struisbaai by 30 November 2017	Full Blue Flag status received for Duiker Street Beach Struisbaai	1	1	1
Revision of the Disaster management Plan by 30 March 2018	Number of revisions of the Disaster Management Plan adopted	1	1	1
Create FTE's through government expenditure with the EPWP by 30 June 2018	Number of FTE's created	40	40	40
Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people from employment equity target groups employed in the three highest levels of management as per the "Senior Management numerical goals and actuals of the EE 2016/17 reporting plan	1	1	1
The percentage of the municipality's operational budget actually spent on implementing its workplace skills plan by 30 June 2018. ((Actual amount spent on training/total operational budget)x100)	% of the operational budget spent on training	0.45	0.45	0.45
Limit vacancy rate to less than 10% of budgeted post by 30 June 2018 ((Number of funded posts vacant / total number of funded posts)x100)	% Vacancy rate	10%	10%	10%
Implement the Individual performance and Incentive Policy in respect of year-end and mid-year evaluations of all personnel by 30 September 2017 and 31 March 2018	% of personnel for whom the individual PMS and Incentive Policy was implemented in respect of year end and mid-year evaluations of all personnel	100%	100%	100%
Review the Spatial Development Framework (SDF) of the municipality by 31 March 2018	SDF reviewed	1	1	1
Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2018	Number of residential properties which are billed for water or have pre paid meters	8601	8601	8601
Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2018	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	8536	8536	8536
Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2018	Number of residential properties which are billed for sewerage	5957	5957	5957



Description	Unit of measurement	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2018	Number of residential properties which are billed for refuse removal	9551	9551	9551
Provide 6kl free basic water per month to all households during the 2017/18 financial year	Number of HH receiving free basic water	8601	8601	8601
Provide 50kwh free basic electricity per month per indigent household in terms of the equitable share requirements during the 2017/18 financial year	Number of indigent HH receiving free basic electricity	3.26	3.26	3.26
Provide free basic sanitation and refuse to indigent households in terms of the equitable share requirements during the 2017/18 financial year	Number of indigent HH receiving free basic sanitation and refuse in terms of Councils indigent policy	3419	3419	3419
The percentage of the municipality's capital budget actually spent on capital projects by 30 June 2018 ((Actual amount spent on projects / Total amount budgeted for capital projects)X100)	% of the municipal capital budget spent	95%	95%	95%
Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2017 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% Debt to Revenue	45%	45%	45%
Financial viability measured in terms of the outstanding service debtors as at 30 June 2018 (Total outstanding service debtors/ revenue received for services)	% Service debtors to revenue	10%	10%	10%
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2018 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Cost coverage	1	1	1
Achieve a debtors payment percentage of at least 98% by 30 June 2018((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off/Billed Revenue) x 100)	% debtors payment ratio achieved	98%	98%	98%
Limit unaccounted for electricity to less than 12% by 30 June 2018 ((Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100)	% unaccounted electricity	12%	12%	12%
95% of the electricity maintenance budget spent by 30 June 2018 ((Actual expenditure divided by the total approved maintenance budget) x 100)	% of electricity maintenance budget spent	95%	95%	95%



Description	Unit of measurement	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
60% waste water discharge quality obtained for Bredasdorp WWTW	% quality of waste water discharge obtained	60%	60%	60%
95% of the approved project budget spent by 30 June 2018 to Rehabilitate Waste Water Treatment Works [(Actual expenditure divided by the total approved project budget) x 100]	Project completed	1	1	1
95% of the INEP funds received spent by 30 June 2017 for the electrification of 69 IRDP houses [(Actual expenditure divided by the total received INEP allocation) x 100]	% of the INEP funds received spent	95%	95%	95%
Development of an infrastructure maintenance and development plan by 30 June 2018	Number of infrastructure development and maintenance plans developed	1	1	1
Review of micro structure in line with the revised socio economic macro structure by 30 December 2017	Number of approved micro structures	1	1	1
Implement the RBAP for 2016/17 by 30 June 2018 [(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP)x100]	% of audits and tasks completed in terms of the RBAP	85	85	85
Develop a new communication policy and strategy in line with Councils new vision by 30 December 2017	Number of Communication policies and strategies adopted	1	1	1
Development of a local tourism strategy by 30 December 2017	Number of strategy's adopted	1	1	1

March 2017



Description	Unit of measurement	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
95% of the electricity capital budget spent by 30 June 2018 ((Actual expenditure divided by the total approved capital budget) x 100) as per individual project plans	% of electricity capital budget spent	95%	95%	95%
Reseal roads within the municipal area as per PMS 2009 by 30 June 2018	Number of square meters resealed	30000	30000	30000
95% of the roads and storm water maintenance budget spent by 30 June 2018 ((Actual expenditure divided by the total approved roads and stormwater maintenance budget) x 100)	% of roads and storm water maintenance budget spent	95%	95%	95%
95% of the roads and storm water capital budget spent by 30 June 2018 ((Actual expenditure divided by the total approved roads and stormwater capital budget) x 100)	% of roads and storm water capital budget spent	95%	95%	95%
95% of the approved project budget spent by 30 June 2018 to upgrade of roads in Bredasdorp (RDP): ((Actual expenditure divided by the total approved project budget) x 100)	% of approved project budget spent	95%	95%	95%
95% of the refuse removal maintenance budget spent by 30 June 2018 ((Actual expenditure divided by the total approved refuse removal maintenance budget) x 100)	% of refuse removal maintenance budget spent	95%	95%	95%
95% of the approved refuse removal capital budget spent by 30 June 2018 ((Actual expenditure divided by the total approved refuse removal capital budget) x 100)	% of refuse removal capital budget spent	95%	95%	95%
95% of the approved water maintenance budget spent by 30 June 2018 ((Actual expenditure divided by the total approved water maintenance budget) x 100)	% of water maintenance budget spent	95%	95%	95%
95% of the approved water capital budget spent by 30 June 2018 ((Actual expenditure divided by the total approved water capital budget) x 100)	% of water capital budget spent	95%	95%	95%
Limit unaccounted for water to less than 22% by 30 June 2017 ((Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water)) / Number of Kiloliters Water Purchased or Purified x 100)	% unaccounted water	20%	20%	20%
95% average water quality level obtained as per SANS 241 on micro parameters for all water supply areas	% water quality level obtained	95%	95%	95%
Update the Water Services Development Plan and submit to Council by 31 May 2018	Updated Water Services Development Plan submitted to Council	1	1	1
95% of the approved waste water maintenance budget spent by 30 June 2018 ((Actual expenditure divided by the total approved waste water maintenance budget) x 100)	% of waste water maintenance budget spent	95%	95%	95%



MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Borrowing Management				
Credit Rating				
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.5%	3.6%	3.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.6%	4.6%	4.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	29.4%	39.9%	48.3%
Safety of Capital				
Gearing	Long Term Borrowing/ Funds & Reserves	36.8%	44.8%	40.7%
Liquidity				
Current Ratio	Current assets/current liabilities	1.2	1.2	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.2	1.2	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.1	0.3
Revenue Management				
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	95.4%	96.4%	96.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		96.4%	96.4%	96.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.6%	14.0%	14.5%
Creditors Management				
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA's 65(e))	100.0%	100.0%	100.0%
Creditors to Cash and Investments		235.8%	318.6%	131.1%
Employee costs	Employee costs/(Total Revenue - capital revenue)	40.0%	40.2%	37.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	41.8%	42.0%	39.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	19.9%	19.9%	18.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.0%	6.8%	6.1%
IDP regulation financial viability indicators				
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	38.2	40.1	42.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.2%	19.1%	20.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.3	0.2	0.1



Performance indicators and benchmarks

2.2.1.1 *Borrowing Management*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position.

2.2.1.2 *Safety of Capital*

The gearing ratio is a measure of the total long term borrowings over funds and reserves.

2.2.1.3 *Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 2, hence at no point in time should this ratio be less than 2.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

2.2.1.4 *Revenue Management*

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Payment levels and credit control is considered to be favorable.

2.2.1.5 *Creditors Management*

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice or statement. This has had a favorable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.2.1.6 *Other Indicators*

- Employee costs is one of the main cost drivers in any municipality. Any increase in this balance should be carefully considered.
- Repairs and maintenance as percentage of operating revenue is showing an increasing trend over the MTREF. This is mainly due to the allocation of Employee Related Costs to Repairs and Maintenance when the Employee Related costs is related to a repairs and maintenance project.



2.3 Overview of budget related-policies

There are no amendments made to any budget related policies during the current year. All policies are in process of being reviewed. If needed, any policy changes will be taken to Council during the final approval of the budget at least 30 days before the start of the new financial year.

2.4 Overview of budget assumptions

2.4.1 External factors

The recovery rate of service debtors and rates are currently 96.4 per cent. The recovery rate of fines, which is also considered a significant revenue source is approximately 30%.

2.4.2 General inflation outlook and its impact on the municipal activities

The inflation outlook for South Africa is indicated below and has been taken into consideration in the compilation of the 2017/18 MTREF.

Table 1: Macroeconomic performance and projections, 2015 - 2019

Fiscal year	2016/17	2017/18	2018/19	2019/20
	Estimate	Forecast		
Consumer Price Inflation (CPI)	6.4%	6.4%	5.7%	5.6%
Real GDP growth	0.5%	1.3%	2.0%	2.2%

Source: 2017 Budget Review.

2.4.3 Credit rating outlook

The credit outlook of South Africa remained under pressure, given the fact that the credit rating is currently being reviewed by major credit agencies. There is a strong possibility that the credit rating will be downgraded to "Junk" Status.

Interest rates for borrowing and investment of funds

Interest rates are currently in an upward cycle and more interest rate increases can be expected within the near future to curb the inflation risk. The inflation rate is currently above the target range of the South African Reserve Bank (3 % – 6 %) at 6.4%.

2.4.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.



The rate of revenue collection is currently expressed as a percentage of annual billings. Cash flow is assumed to be 96.4 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.5 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.4.6 Salary increases

The South African Local Government Bargaining Council recently entered into a three-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – 6 per cent (Average CPI (Feb 2015 – Jan 2016) + 1 per cent)
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

These increases were factored into the MTREF, along with a notch increase of 2.4% in terms of TASK.

2.4.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Too few people work;
- The quality of school education for black people is poor;
- Infrastructure is poorly located, inadequate and under-maintained;
- Spatial divides hobble inclusive development;
- The economy is unsustainably resource intensive;
- The public health system cannot meet demand or sustain quality;
- Public services are uneven and often of poor quality;
- Corruption levels are high; and
- South Africa remains a divided society.

29 MAR 2017

March 2017

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.4.8 Ability of the municipality to spend and deliver on the programmes

It is estimated, based on prior year's performance and current spending trends, that both capital and operating expenditure will be no less than 95 per cent of the budgeted amounts.

2.5 Overview of budget funding

2.5.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description R thousands	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Financial Performance				
Property rates	54 429	58 939	64 288	70 121
Service charges	140 649	147 147	155 794	164 971
Investment revenue	2 050	2 060	2 215	2 381
Transfers recognised - operational	52 543	55 606	57 246	79 783
Other own revenue	21 227	23 071	24 430	25 641
Total Revenue (excluding capital transfers and contributions)	270 897	286 823	303 972	342 897

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation, solid waste removal, property rates, operating grants and other minor charges (such as building plan fees, licenses and permits etc.).

Investment revenue contributes marginally to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

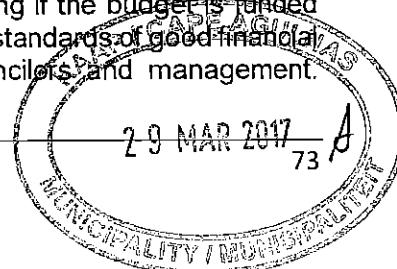
2.5.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

March 2017

29 MAR 2017

73



- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

MBRR Table A7 - Budget cash flow statement

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework				
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	52 471	56 818	61 975	67 597		
Service charges	133 620	141 852	150 188	159 035		
Other revenue	21 352	15 094	15 845	16 393		
Government - operating	52 264	55 606	57 246	79 783		
Government - capital	11 902	13 309	11 961	18 360		
Interest	2 894	3 502	3 783	4 092		
Payments						
Suppliers and employees	(249 043)	(269 815)	(279 812)	(312 642)		
Finance charges	(504)	(498)	(508)	(533)		
Transfers and Grants	(1 428)	(2 204)	(2 265)	(2 319)		
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 527	13 665	18 413	29 767		
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Decrease (Increase) in non-current debtors	27	27	27	27		
Payments						
Capital assets	(25 452)	(24 751)	(21 666)	(20 921)		
NET CASH FROM/(USED) INVESTING ACTIVITIES	(25 425)	(24 724)	(21 639)	(20 894)		
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	4 053	3 366	3 868	1 240		
Increase (decrease) in consumer deposits	180	188	197	206		
Payments						
Repayment of borrowing	(1 485)	(1 861)	(2 263)	(2 058)		
NET CASH FROM/(USED) FINANCING ACTIVITIES	2 748	1 693	1 802	(612)		
NET INCREASE/(DECREASE) IN CASH HELD	851	(9 366)	(1 424)	8 260		
Cash/cash equivalents at the year begin:	14 384	15 235	5 869	4 445		
Cash/cash equivalents at the year end:	15 235	5 869	4 445	12 705		

29 MAR 2017

March 2017



2.5.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework			
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available					
Cash/cash equivalents at the year end	15 235	5 869	4 445	12 705	
Cash and investments available:	15 235	5 869	4 445	12 705	
Application of cash and investments					
Other working capital requirements	(14 951)	(19 785)	(25 508)	(29 526)	
Total Application of cash and investments:	(14 951)	(19 785)	(25 508)	(29 526)	
Surplus(shortfall)	30 186	25 654	29 952	42 232	

The municipality will be cash funded for the entire MTREF. However, it is very important for the municipality to increase cash levels in order to allow for a contribution to the capital replacement reserve. The surplus indicated above for 2017/2018 is also supported by a positive working capital balance. This positive working capital balance is the result of the municipality's commitment to settle outstanding creditor balances on a timely basis. Creditor balances are thus always very low when compared to the current assets which include receivables.

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts

March 2017



of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges.

2.5.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

MBRR SA10 – Funding compliance measurement

Description	MFMA section	2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Funding measures						
Cash/cash equivalents at the year end - R'000	18(1)b	15 235	5 869	4 445	12 705	
Cash + investments at the yr end less applications - R'000	18(1)b	30 186	25 654	29 952	42 232	
Cash year end/monthly employee/supplier payments	18(1)b	0.8	0.3	0.2	0.5	
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(5 118)	(3 715)	(262)	7 918	
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	(6.0%)	(6.0%)	0.8%	0.8%	
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	95.9%	93.3%	93.3%	93.2%	
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	3.8%	3.8%	3.8%	3.8%	
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	100.0%	
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	29.9%	29.4%	39.9%	48.3%	
Grants % of Govt. legislated/gazetted allocations	18(1)a		100.0%	100.0%	100.0%	
Current consumer debtors % change - incr(decr)	18(1)a	0.0%	0.0%	18.2%	16.6%	
Long term receivables % change - incr(decr)	18(1)a	0.0%	0.0%	(15.8%)	(18.7%)	
R&M % of Property Plant & Equipment	20(1)(v i)	7.3%	14.7%	15.1%	15.7%	
Asset renewal % of capital budget	20(1)(v i)	17.5%	17.3%	3.6%	1.5%	

2.5.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.



2.5.4.2 *Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.5.4.3 *Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

2.5.4.4 *Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus or deficit does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

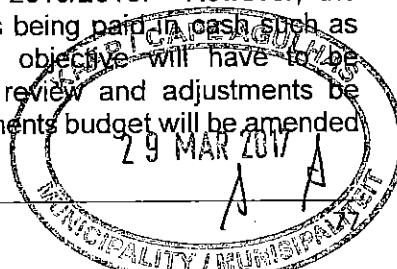
2.5.4.5 *Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

2.5.4.6 *Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 95 per cent performance target, the cash flow statement has been conservatively determined when compared to actual results in 2015/2016. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.



2.5.4.7 *Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

2.5.4.8 *Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent payments has been factored into the cash position forecasted over the entire financial year.

2.5.4.9 *Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers and therefore no percentage is being shown as outstanding.

2.5.4.10 *Consumer debtors change (Current and Non-current)*

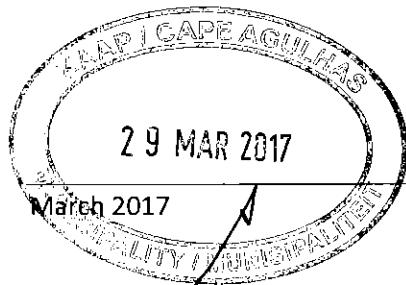
The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

2.5.4.11 *Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.5.4.12 *Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.



2.6 Expenditure on grants and reconciliations of unspent funds

MBRR SA18 and 19 – Receipts and Expenditure on transfers and grant programmes

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
RECEIPTS:				
Operating Transfers and Grants				
National Government:				
Local Government Equitable Share	27 297	29 351	31 016	32 895
Energy Efficiency and Demand-side [Schedule 5B]	23 075	25 190	27 645	29 808
500	—	—	—	—
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 210	1 131	—	—
Local Government Financial Management Grant [Schedule 5B]	762	1 150	1 492	1 492
Municipal Infrastructure Grant [Schedule 5B]	1 750	1 880	1 879	595
Municipal Systems Improvement Grant [Schedule 5B]	—	—	—	1 000
	24 157	26 255	26 230	46 888
Provincial Government:				
Human Settlement Development	18 100	20 450	20 000	40 100
Library Service Conditional Grant	4 807	5 425	5 814	6 152
Maintenance of Main Roads	158	84	—	—
Community Development Workers	56	56	56	56
Financial Management Support (WC_FMGSG)	970	240	360	480
Thusong Centre	66	—	—	100
	810	—	—	—
Other grant providers:				
<i>National Skills Fund</i>	810	—	—	—
Total Operating Transfers and Grants	52 264	55 606	57 246	79 783
Capital Transfers and Grants				
National Government:				
Municipal Infrastructure Grant [Schedule 5B]	10 464	13 150	11 961	18 360
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	8 751	9 300	9 618	11 302
Local Government Financial Management Grant [Schedule 5B]	1 000	3 450	2 285	7 000
	713	400	58	58
	1 438	159	—	—
Provincial Government:				
Library Service	543	159	—	—
Development of Sport and Recreation Facilities	750	—	—	—
Thusong Centre	145	—	—	—
Total Capital Transfers and Grants	11 902	13 309	11 961	18 360
TOTAL RECEIPTS OF TRANSFERS & GRANTS	64 166	68 915	69 207	98 143



R thousand	Description	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:					
Operating expenditure of Transfers and Grants					
National Government:		27 297	29 351	31 016	32 895
Local Government Equitable Share		23 075	25 190	27 645	29 808
Energy Efficiency and Demand-side [Schedule 5B]		500	—	—	—
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 210	1 131	—	—
Local Government Financial Management Grant [Schedule 5B]		762	1 150	1 492	1 492
Municipal Infrastructure Grant [Schedule 5B]		1 750	1 880	1 879	595
Municipal Systems Improvement Grant [Schedule 5B]		—	—	—	1 000
Provincial Government:		24 305	26 255	26 230	46 888
Human Settlement Development		18 100	20 450	20 000	40 100
Library Service Conditional Grant		4 807	5 425	5 814	6 152
Maintenance of Main Roads		158	84	—	—
Community Development Workers		56	56	56	56
Financial Management Support (WC_FMGSG)		1 118	240	360	480
Thusong Centre		66	—	—	100
Other grant providers:		941	—	—	—
<i>National Skills Fund</i>		941	—	—	—
Total operating expenditure of Transfers and Grants:		52 543	55 606	57 246	79 783
Capital expenditure of Transfers and Grants					
National Government:		10 464	13 150	11 961	18 360
Municipal Infrastructure Grant [Schedule 5B]		8 751	9 300	9 618	11 302
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		1 009	3 450	2 285	7 000
Local Government Financial Management Grant [Schedule 5B]		713	400	58	58
Provincial Government:		1 438	159	—	—
Library Service		543	159	—	—
Development of Sport and Recreation Facilities		750	—	—	—
Thusong Centre		145	—	—	—
Total capital expenditure of Transfers and Grants		11 902	13 309	11 961	18 360
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		64 445	68 915	69 207	98 143



MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Operating transfers and grants:				
National Government:				
Balance unspent at beginning of the year	—	—	—	—
Current year receipts	27 297	29 351	31 016	32 895
Conditions met - transferred to revenue	27 297	29 351	31 016	32 895
Conditions still to be met - transferred to liabilities	—	—	—	—
Provincial Government:				
Balance unspent at beginning of the year	148	—	—	—
Current year receipts	24 157	26 255	26 230	46 888
Conditions met - transferred to revenue	24 305	26 255	26 230	46 888
Conditions still to be met - transferred to liabilities	—	—	—	—
Other grant providers:				
Balance unspent at beginning of the year	131	—	—	—
Current year receipts	810	—	—	—
Conditions met - transferred to revenue	941	—	—	—
Conditions still to be met - transferred to liabilities	—	—	—	—
Total operating transfers and grants revenue	52 543	55 606	57 246	79 783
Total operating transfers and grants - CTBM	—	—	—	—
Capital transfers and grants:				
National Government:				
Balance unspent at beginning of the year	—	—	—	—
Current year receipts	10 464	13 150	11 961	18 360
Conditions met - transferred to revenue	10 464	13 150	11 961	18 360
Conditions still to be met - transferred to liabilities	—	—	—	—
Provincial Government:				
Balance unspent at beginning of the year	—	—	—	—
Current year receipts	1 438	159	—	—
Conditions met - transferred to revenue	1 438	159	—	—
Conditions still to be met - transferred to liabilities	—	—	—	—
Total capital transfers and grants revenue	11 902	13 309	11 961	18 360
Total capital transfers and grants - CTBM	—	—	—	—
TOTAL TRANSFERS AND GRANTS REVENUE	64 445	68 915	69 207	98 143
TOTAL TRANSFERS AND GRANTS - CTBM	—	—	—	—

March 2017



2.7 Allocations and Grants made by the municipality

The following contributions are projected over the MTREF:

Description R thousand	2016/17 Full Year Forecast	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Transfers to Organisations				
CONTRIBUTION - SAVE HOUSE	—	11	11	12
CONTRIBUTION - ELIM COMMUNITY	300	300	300	300
CONTRIBUTION - KASSIEBAAI COMMUNITY	120	120	120	120
CONTRIBUTION - SHIPWRECK MUSEUM	50	53	55	57
CONTRIBUTION - TOURISM BURO	858	901	946	984
CONTRIBUTION - OVERBERG RADIO	100	100	100	100
Total Cash Transfers To Organisations	1 428	1 484	1 532	1 573
Cash Transfers to Groups of Individuals				
BURSARIES (NON-EMPLOYEES)	80	80	80	80
OTHER DONATIONS AND SOCIAL SUPPORT	521	390	390	390
INTERNSHIP (SETA) UNEMPLOYMENT BURSARY	60	—	—	—
COMMUNITY SERVICES - SOCIAL DEVELOPMENT	100	100	105	110
COMMUNITY SERVICES - FEEDING SCHEME	150	150	158	165
Total Cash Transfers To Groups Of Individuals:	911	720	733	746
TOTAL CASH TRANSFERS AND GRANTS	2 339	2 204	2 265	2 319



2.8 Councillor and employee benefits

MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
				Budget Year +2 2019/20
Councillors (Political Office Bearers plus Other)				
Basic Salaries and Wages	2 849	3 063	3 293	3 540
Pension and UIF Contributions	507	545	586	630
Medical Aid Contributions	45	48	52	56
Motor Vehicle Allowance	1 133	1 218	1 310	1 408
Cellphone Allowance	251	270	290	312
Sub Total - Councillors	4 786	5 145	5 530	5 945
% increase	—	7.5%	7.5%	7.5%
Senior Managers of the Municipality				
Basic Salaries and Wages	3 885	4 787	5 122	5 480
Pension and UIF Contributions	799	871	931	997
Medical Aid Contributions	213	188	207	227
Performance Bonus	667	666	691	740
Motor Vehicle Allowance	386	328	328	328
Cellphone Allowance	31	14	14	14
Other benefits and allowances	87	59	63	67
Sub Total - Senior Managers of Municipality	6 067	6 913	7 357	7 854
% increase	—	13.9%	6.4%	6.8%
Other Municipal Staff				
Basic Salaries and Wages	65 688	72 977	78 071	83 516
Pension and UIF Contributions	11 220	12 346	13 211	14 135
Medical Aid Contributions	3 412	3 816	4 114	4 523
Overtime	3 241	3 344	3 457	3 594
Motor Vehicle Allowance	4 818	5 183	5 183	5 183
Cellphone Allowance	432	369	369	369
Housing Allowances	1 099	967	967	967
Other benefits and allowances	3 882	4 938	5 270	5 625
Payments in lieu of leave	875	919	965	1 013
Long service awards	498	522	549	576
Post-retirement benefit obligations	2 372	2 444	2 567	2 696
Sub Total - Other Municipal Staff	97 536	107 825	114 723	122 197
% increase	—	10.5%	6.4%	6.5%
TOTAL SALARY, ALLOWANCES & BENEFITS	108 389	119 882	127 610	135 996
% increase	—	10.6%	6.4%	6.6%
TOTAL MANAGERS AND STAFF	103 603	114 737	122 079	130 051

March 2017

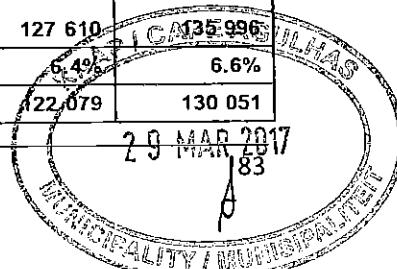
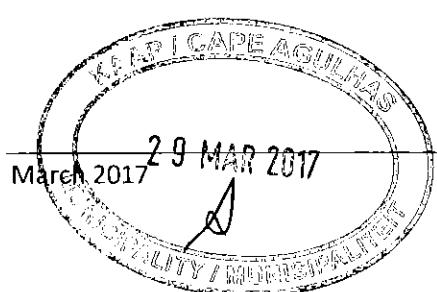


Table 5 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councilors/ senior managers)

Disclosure of Salaries, Allowances & Benefits Rand per annum	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors							
Speaker	1	426 583	63 772	187 483			677 838
Chief Whip		—	—	—			—
Executive Mayor	1	511 421	99 727	228 226			839 374
Deputy Executive Mayor	1	368 562	120 356	187 483			676 401
Executive Committee	2	782 140	134 581	354 594			1 271 315
Total for all other councilors	6	974 462	175 025	530 222			1 679 709
Total Councillors	11	3 063 168	593 461	1 488 008			5 144 637
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 238 700	289 849	72 000	160 100		1 760 649
Chief Finance Officer	1	968 600	222 700	134 500	125 100		1 450 900
Director: Corporate Services	1	867 500	171 600	36 000	141 500		1 216 600
Director: Community Services	1	867 500	218 700	36 000	121 400		1 243 600
Director: Infrastructure and Planning	1	844 400	214 300	63 900	118 200		1 240 800
Total Senior Managers of the Municipality	5	4 786 700	1 117 149	342 400	666 300		6 912 549
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	16	7 849 868	1 710 610	1 830 408	666 300		12 057 186



March 2017

MBRR SA24 – Summary of personnel numbers

Number	Summary of Personnel Numbers			2015/16			Current Year 2016/17			Budget Year 2017/18		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities												
Councillors (Political Office Bearers plus Other Councillors)	9	–	–	10	10	–	11	11	–			
Board Members of municipal entities	–	–	–	–	–	–	–	–	–	–	–	–
Municipal employees												
Municipal Manager and Senior Managers	6	1	5	5	–	4	5	–	4			
Other Managers	18	15	–	18	15	–	18	15	–			
Professionals	192	151	13	151	151	13	151	151	13			
Finance	31	26	5	26	26	5	26	26	5			
Spatial/town planning	10	9	–	9	9	–	9	9	–			
Information Technology	2	1	1	1	1	1	1	1	1			
Roads	41	35	2	35	35	2	35	35	2			
Electricity	20	18	–	18	18	–	18	18	–			
Water	38	29	5	29	29	5	29	29	5			
Sanitation	50	33	–	33	33	–	33	33	–			
Refuse	–	–	–	–	–	–	–	–	–			
Other	–	–	–	–	–	–	–	–	–			
Technicians	–	–	–	–	–	–	–	–	–			
Finance	–	–	–	–	–	–	–	–	–			
Spatial/town planning	–	–	–	–	–	–	–	–	–			
Information Technology	–	–	–	–	–	–	–	–	–			
Roads	–	–	–	–	–	–	–	–	–			
Electricity	–	–	–	–	–	–	–	–	–			
Water	–	–	–	–	–	–	–	–	–			
Sanitation	–	–	–	–	–	–	–	–	–			
Refuse	–	–	–	–	–	–	–	–	–			
Other	–	–	–	–	–	–	–	–	–			
Clerks (Clerical and administrative)	178	126	17	56	56	2	56	56	2			
Service and sales workers	–	–	–	–	–	–	–	–	–			
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–			
Craft and related trades	62	42	–	42	42	–	42	42	–			
Plant and Machine Operators	–	–	–	–	–	–	–	–	–			
Elementary Occupations	132	112	5	79	79	5	79	79	5			
TOTAL PERSONNEL NUMBERS	597	447	40	361	353	24	362	354	24			

2.9 Monthly targets for revenue, expenditure and cash flow
MBRR SA25 - Budgeted monthly revenue and expenditure

March 2017



R thpt stand	Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	+1 2018/19	Budget Year 2019/20	
Revenue By Source																	
Proprietary	17 682	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	56 939	64 288	70 121	
Service charges - electricity revenue	8 435	8 062	9 226	9 035	8 240	9 093	7 416	7 924	8 230	8 335	9 182	6 879	100 856	105 888	111 192		
Service charges - water revenue	1 781	1 829	1 865	1 845	1 925	2 188	2 014	2 145	2 242	2 053	2 055	1 446	23 388	25 178	27 103		
Service charges - sanitation revenue	654	659	695	681	717	798	590	650	657	727	681	643	8 176	8 835	9 546		
Service charges - refuse revenue	1 221	1 221	1 221	1 221	1 221	1 221	1 231	1 231	1 221	1 221	1 221	1 246	14 727	15 884	17 130		
Rental of facilities and equipment	79	110	292	407	138	165	409	79	117	121	73	66	2 056	2 001	2 027		
Interest earned - external investments	52	144	169	168	175	75	237	190	172	241	279	157	2 060	2 215	2 381		
Interest earned - outstanding debtors	58	106	111	119	130	143	138	144	149	119	140	137	1 496	1 627	1 775		
Fines, penalties and forfeits	805	673	797	395	646	835	963	1 063	852	602	554	1 066	9 271	9 954	10 709		
Licences and permits	5	4	5	7	5	5	5	5	5	5	5	5	5	61	65	69	
Agency services	242	163	202	305	144	232	99	222	234	157	190	229	2 419	2 514	2 624		
Transfers and subsidies	9 984	2 059	2 659	9 984	2 659	2 859	2 859	9 984	2 859	2 859	2 859	2 785	55 606	57 246	79 783		
Other revenue	237	1 202	696	710	814	1 066	665	312	284	368	766	649	7 769	8 259	8 438		
Total Revenue (excluding capital transfers and	41 246	21 591	21 889	21 502	27 890	22 432	20 425	20 575	27 898	20 550	21 755	19 036	265 623	303 972	342 897		
Expenditure By Type																	
Employee related costs	8 807	8 809	8 829	9 340	14 120	9 105	10 418	9 156	9 093	9 412	9 220	8 430	114 737	122 079	130 051		
Remuneration of councillors	407	395	401	401	401	401	401	625	429	429	429	429	5 145	5 530	5 945		
Debt impairment	653	653	653	653	653	653	653	653	653	653	653	653	7 833	8 412	8 961		
Depreciation & asset impairment	953	953	953	953	953	953	953	953	953	953	953	953	11 440	11 590	11 747		
Finance charges	728	728	728	728	728	728	728	728	728	728	728	728	728	8 734	8 969	9 229	
Bulk purchases	6 390	6 379	6 406	6 375	6 398	6 398	6 377	6 397	6 374	6 399	6 398	6 398	76 578	80 512	84 538		
Other materials	2 427	2 711	2 486	3 072	3 040	4 701	1 791	3 017	2 903	4 645	3 530	4 554	38 879	39 117	39 181		
Contracted services	197	1 034	1 325	2 353	1 065	2 332	1 484	1 392	1 484	1 514	1 666	2 176	197	16 735	15 260	16 716	
Transfers and subsidies	177	177	177	177	177	177	177	177	177	177	177	252	2 204	2 265	2 319		
Other expenditure	1 340	1 496	1 372	1 686	1 678	2 595	988	1 666	1 603	2 564	1 949	2 514	21 462	22 461	23 652		
Total Expenditure	22 079	23 345	23 320	25 778	29 191	28 042	23 891	24 036	24 451	27 602	26 213	25 108	303 847	316 196	355 339		
Surplus/(Deficit)	19 167	(1 745)	(1 430)	(4 276)	(1 301)	(5 610)	(3 465)	(4 261)	3 447	(7 042)	(4 458)	(6 050)	(17 023)	(12 224)	(10 442)		
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	217	472	1 004	803	415	1 252	258	1 201	2 743	1 055	1 171	2 717	13 309	11 961	18 360		
Surplus/(Deficit)	19 365	(1 273)	(427)	(3 473)	(886)	(4 358)	(3 207)	(3 050)	6 190	(5 986)	(3 286)	(3 322)	(3 715)	(262)	7 918		

29 MAR 2017

MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand																
<u>Revenue by Vote</u>																
Vote 1 - Executive and Council	3 780	546	531	539	3 746	461	548	520	3 737	502	518	555	15 985	17 888	19 463	
Vote 2 - Budget and Treasury Office	18 077	4 190	4 197	4 196	4 391	4 174	4 270	4 230	4 437	4 251	4 345	4 260	55 019	70 820	78 141	
Vote 3 - Corporate Services	96	224	320	418	205	256	414	104	132	144	147	128	2 588	2 590	2 680	
Vote 4 - Community Services	5 893	3 137	2 937	2 671	6 112	3 279	3 005	2 981	6 011	2 411	2 704	15 536	56 622	56 636	78 487	
Vote 5 - Infrastructure Services	5 110	4 954	5 401	5 218	5 482	6 070	4 946	5 794	7 372	5 685	5 706	(6 305)	55 434	59 586	64 049	
Vote 6 - Electricity	8 503	9 012	9 506	9 263	8 369	9 444	7 500	8 248	8 953	8 621	9 507	7 600	104 325	108 444	118 435	
Total Revenue by Vote	41 464	22 893	22 305	28 305	23 684	20 683	21 776	20 641	21 615	22 927	21 776	300 132	315 933	361 257		
<u>Expenditure by Vote to be appropriated</u>																
Vote 1 - Executive and Council	1 268	1 377	1 400	1 555	1 710	1 704	1 445	1 703	1 497	1 668	1 630	1 498	18 493	19 585	20 725	
Vote 2 - Budget and Treasury Office	2 803	3 025	3 034	3 446	4 025	3 759	3 170	3 237	3 207	3 674	3 492	3 205	40 078	42 202	45 461	
Vote 3 - Corporate Services	1 908	2 039	2 033	2 319	2 985	2 552	2 188	2 193	2 167	2 528	2 359	2 203	27 475	28 424	29 915	
Vote 4 - Community Services	4 313	4 691	4 615	5 366	6 274	6 371	4 581	5 084	5 000	6 261	5 935	10 261	68 411	69 039	92 307	
Vote 5 - Infrastructure Services	4 545	4 954	4 983	5 716	6 598	6 247	5 202	5 330	5 281	6 072	5 789	587	61 306	64 339	67 568	
Vote 6 - Electricity	7 242	7 250	7 255	7 334	7 599	7 410	7 305	7 299	7 401	7 347	7 355	88 085	92 607	97 362		
Total Expenditure by Vote	22 079	23 315	23 320	25 776	29 191	28 042	23 891	24 836	24 451	27 602	26 213	25 108	303 847	316 196	353 339	
Surplus/(Deficit)	19 385	(1 273)	(427)	(846)	(4 358)	(3 207)	(3 050)	(3 050)	(3 050)	(5 988)	(3 206)	(3 332)	(3 715)	(262)	7 918	



March 2017

MEET SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	R thousand	Budget Year 2017/18										Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year 2016/17	Budget Year +1 2016/17
<u>Revenue - Functional</u>																
Revenue from functional activities	22 635	5 025	5 847	5 813	9 106	5 817	5 518	5 818	10 756	5 756	5 907	6 929	95 223	101 957	111 262	111 262
Governance and administration	3 780	546	531	539	3 746	461	548	520	3 737	502	510	555	15 985	17 888	19 466	19 466
Executive and council	18 655	4 779	5 316	5 274	5 360	5 356	4 970	5 299	7 013	5 254	5 398	6 374	79 236	84 069	91 797	91 797
Finance and administration	4 856	2 304	1 934	1 956	5 323	2 213	1 916	1 607	4 930	1 654	1 964	1 855	32 515	32 680	53 279	53 279
Community and public safety	1 000	313	336	346	1 014	328	341	311	1 036	314	313	324	5 977	6 227	6 687	6 687
Community and social services	186	940	546	559	637	834	524	244	223	289	599	508	6 068	6 453	6 492	6 492
Sport and recreation	3 672	1 051	1 051	1 051	3 672	1 051	1 051	3 672	1 051	1 051	1 024	1 024	20 450	20 000	40 100	40 100
Housing	1 066	956	1 055	775	871	1 173	1 143	1 308	1 109	784	821	1 353	12 436	13 287	14 231	14 231
Economic and environmental services	30	130	77	81	90	117	75	38	35	43	85	73	874	954	1 042	1 042
Planning and development	1 036	826	988	595	781	1 056	1 058	1 270	1 074	751	736	1 280	11 562	12 343	13 190	13 190
Road transport	12 905	13 477	14 046	13 781	13 004	14 480	12 106	13 043	13 852	13 411	14 235	11 638	159 959	168 000	182 484	182 484
Trading services	6 503	9 012	9 506	9 263	8 369	9 444	7 500	8 248	8 953	8 521	9 507	7 680	104 525	108 414	118 435	118 435
Energy sources	1 959	2 012	2 051	2 030	2 118	2 406	2 215	2 359	2 465	2 258	2 260	1 591	25 723	27 652	29 726	29 726
Water management	915	924	960	938	990	1 102	814	895	905	1 002	939	887	11 272	12 115	13 022	13 022
Waste management	1 529	1 529	1 528	1 528	1 529	1 528	1 528	1 529	1 541	1 529	1 529	1 550	18 439	19 818	21 301	21 301
Total Revenue - Functional	41 484	22 063	22 893	22 305	28 305	23 684	20 683	21 776	30 641	21 615	22 927	21 776	300 132	315 933	361 257	361 257
<u>Expenditure - Functional</u>																
Expenditure from functional activities	6 231	6 757	6 787	8 145	8 490	7 142	7 497	7 232	8 303	7 908	7 222	90 511	93 357	99 761	99 761	99 761
Governance and administration	970	1 038	1 049	1 176	1 202	1 284	1 044	1 330	1 126	1 268	1 221	1 189	13 910	14 711	15 547	15 547
Executive and council	5 172	5 605	5 625	6 452	7 779	7 048	6 960	6 035	5 974	6 894	6 536	5 935	75 014	76 966	82 445	82 445
Finance and administration	88	114	123	159	163	158	136	131	131	141	153	88	1 587	1 676	1 770	1 770
Community and public safety	2 710	2 878	3 419	3 890	4 371	2 678	3 262	3 188	4 302	3 660	3 856	4 1 291	42 025	43 566	42 656	42 656
Community and social services	534	656	792	913	722	694	692	760	770	570	570	8 533	9 082	9 708	9 708	9 708
Sport and recreation	775	801	874	874	1 192	947	868	848	837	957	889	865	10 646	11 172	11 871	11 871
Housing	1 401	1 552	1 434	1 752	1 797	2 611	1 088	1 720	1 659	2 585	1 993	2 521	22 112	21 771	41 987	41 987
Economic and environmental services	2 708	2 909	3 329	4 079	3 463	3 216	3 109	3 089	3 388	3 321	2 874	3 321	40 513	42 656	42 656	42 656
Planning and development	601	674	697	822	1 016	825	795	736	788	805	602	602	9 098	8 895	9 147	9 147
Road transport	2 107	2 235	2 249	2 507	3 063	2 638	2 421	2 271	2 354	2 600	2 515	2 272	29 331	31 617	33 509	33 509
Trading services	10 430	10 891	10 699	11 243	12 077	11 718	10 855	10 969	10 943	11 609	11 324	11 057	133 614	140 302	147 355	147 355
Energy sources	7 242	7 250	7 334	7 599	7 410	7 305	7 269	7 299	7 401	7 347	7 355	88 085	92 607	97 362	97 362	97 362
Water management	1 224	1 260	1 237	1 352	1 746	1 520	1 281	1 327	1 308	1 536	1 394	1 437	16 634	17 545	18 515	18 515
Waste management	762	783	789	936	1 052	938	797	822	811	948	862	892	10 281	10 753	11 315	11 315
Total Expenditure - Functional	22 079	23 335	23 320	25 778	28 191	28 042	23 891	24 836	24 451	27 602	26 213	25 108	303 847	316 198	353 339	353 339
Surplus/(Deficit)	19 395	(1 273)	(427)	(886)	(4 358)	(3 207)	(3 060)	(5 988)	(3 207)	(3 060)	(5 988)	(3 332)	(3 715)	(252)	7 98	7 98

29 MAR 2017

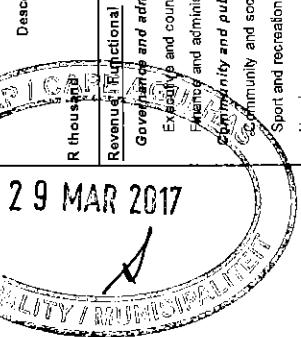


Table 6 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Multi-year expenditure to be appropriated																
Vote 4 - Community Services	5	19	49	37	16	63	7	60	146	52	58	140	650	1 770	640	
Vote 5 - Infrastructure Services	41	164	422	325	136	542	60	518	1 265	447	503	1 211	5 634	8 515	11 302	
Vote 6 - Electricity	2	7	19	14	6	24	3	23	56	20	22	54	250	250	—	
Capital multi-year expenditure sub-total	47	190	469	376	156	629	70	600	1 464	518	584	1 404	6 534	10 535	11 942	
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council	2	8	20	16	7	26	3	25	61	22	24	50	272	—	—	
Vote 2 - Budget and Treasury Office	0	0	1	1	0	1	0	1	2	1	1	2	11	—	—	
Vote 3 - Corporate Services	10	39	102	78	33	131	15	125	305	108	121	292	1 357	1 022	378	
Vote 4 - Community Services	10	42	107	82	35	138	15	131	321	113	128	633	1 955	3 151	952	
Vote 5 - Infrastructure Services	75	303	779	599	292	1 001	111	956	2 336	825	929	1 709	9 875	3 215	650	
Vote 6 - Electricity	34	138	365	274	115	457	51	436	1 066	376	424	1 020	4 748	3 743	7 000	
Capital single-year expenditure sub-total	131	530	1 354	1 050	441	1 753	195	1 674	4 092	1 444	1 627	3 915	18 217	11 131	8 979	
Total Capital Expenditure	178	721	1 853	1 426	600	2 382	265	2 275	5 559	1 962	2 211	5 319	24 751	21 666	20 921	



Table 7 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

R thousand	Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	+1 2018/19	Budget Year 2019/20	
Capital Expenditure - Functional																	
Government and administration	16	66	169	130	55	217	24	207	505	178	201	484	2 251	1 897	594	—	
Police and council	2	7	19	15	6	24	3	23	57	20	23	55	254	—	—	—	
Finance and administration	14	58	149	115	48	192	21	183	446	158	178	429	1 996	1 897	594	—	
Community and public safety	11	44	112	86	36	144	16	138	337	119	134	322	1 501	3 615	460	—	
Community and social services	2	10	25	19	6	32	4	31	75	26	30	72	334	151	—	—	
Sport and recreation	6	34	87	67	28	112	12	107	262	93	104	251	1 167	3 464	460	—	
Economic and environmental services	90	363	934	719	302	1 200	134	1 146	2 801	989	1 114	2 680	12 470	11 755	12 867	—	
Planning and development	0	1	2	2	1	3	0	3	7	2	3	6	30	—	—	—	
Road transport	90	362	931	717	301	1 197	133	1 143	2 794	986	1 111	2 673	12 439	11 755	12 867	—	
Trading services	61	248	639	492	207	821	91	784	1 916	676	762	1 833	8 530	4 400	7 000	—	
Energy sources	36	146	374	288	121	481	54	459	1 123	396	446	1 074	4 996	3 983	7 000	—	
Water management	5	19	49	38	16	63	7	60	147	52	59	141	655	407	—	—	
Waste water management	6	26	66	51	21	84	9	81	197	70	78	189	877	—	—	—	
Waste management	14	58	150	115	48	192	21	184	449	159	179	430	2 000	—	—	—	
Total Capital Expenditure - Functional	178	721	1 853	1 426	600	2 382	265	2 275	5 559	1 962	2 211	5 319	24 751	21 666	20 921	—	
<u>Funded by:</u>																	
National Government	95	383	985	758	319	1 256	141	1 208	2 954	1 043	1 175	2 826	13 150	11 951	18 352	—	
Provincial Government	1	5	12	9	4	15	2	15	36	13	14	34	159	—	—	—	
Transfers recognised - capital	96	387	996	767	322	1 281	142	1 223	2 989	1 055	1 189	2 860	13 309	11 961	18 352	—	
Borrowing	24	98	252	194	82	324	36	309	756	267	301	723	3 366	3 868	1 240	—	
Internally generated funds	58	235	605	465	195	777	86	742	1 814	640	721	1 736	8 076	5 837	1 329	—	
Total Capital Funding	178	721	1 853	1 426	600	2 382	265	2 275	5 559	1 962	2 211	5 319	24 751	21 666	20 921	—	

29 MAR 2017

Table 8 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS		Budget Year 2017/18										Medium Term Revenue and Expenditure Framework							
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20			
R thousand																			
Cash Receipts By Source																			
Property rates	3 616	3 616	17 046	3 616	3 616	3 616	3 616	3 616	3 616	3 616	3 616	3 616	3 616	56 616	61 975	67 597			
Service charges - electricity revenue	8 543	8 543	8 709	7 944	8 766	7 149	7 639	7 934	8 035	8 652	8 631	97 227	102 087	107 191					
Service charges - water revenue	1 717	1 764	1 779	1 655	2 109	1 941	2 068	2 161	1 979	1 981	1 394	22 547	24 272	26 127					
Service charges - sanitation revenue	640	645	657	692	770	659	626	633	701	657	620	7 881	8 517	9 203					
Service charges - rates revenue	1 177	1 177	1 177	1 177	1 177	1 214	1 187	1 177	1 177	1 177	1 201	14 187	15 312	16 514					
Rental of facilities and equipment	77	105	282	392	133	159	394	76	113	117	70	63	1 982	1 929	1 954				
Interest earned - external investments	52	144	169	168	175	75	237	150	172	241	279	167	2 080	2 215	2 381				
Interest earned - outstanding debts	120	120	120	120	120	120	120	120	120	120	120	120	1 442	1 568	1 711				
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Fines, penalties and forfeits	249	246	122	200	258	304	328	263	186	171	329	2 684	3 308	3 078					
Licences and permits	5	4	5	7	5	5	5	5	5	5	5	5	5	61	65	69			
Agency services	242	163	202	305	144	232	99	222	234	157	190	229	2 419	2 514	2 624				
Transfer receipts - operational	18 535	-	-	-	18 535	-	-	16 335	-	-	-	55 606	57 246	79 753					
Other revenue	237	1 202	886	710	814	1 066	865	312	284	366	786	649	8 766	6 259	8 438				
Cash Receipts by Source	34 798	17 891	31 306	17 762	35 410	18 354	16 314	16 349	16 248	16 702	17 683	15 016	272 873	286 036	328 900				
Other Cash Flows by Source																			
Transfer receipts - capital	4 436	-	-	-	4 436	-	-	-	-	-	-	-	13 308	11 961	16 380				
Borrowing long term/Refinancing	-	-	-	-	-	-	-	-	-	-	-	-	3 366	3 868	1 240				
Increase (decrease) in consumer deposits	16	16	16	16	16	16	16	16	16	16	16	16	188	197	206				
Decrease (increase) in non-current debits	2	2	2	2	2	2	2	2	2	2	2	2	2	27	27	27			
Total Cash Receipts by Source	39 253	17 708	31 324	17 780	39 884	16 372	16 332	16 407	16 702	21 287	15 033	289 763	305 080	346 733					
Cash Payments by Type																			
Employee related costs	8 560	8 560	8 580	8 580	17 159	8 580	8 580	8 580	8 580	8 580	8 580	8 580	8 580	111 535	116 092	125 238			
Remuneration of contractors	407	395	401	401	401	401	401	401	401	429	429	429	5 145	5 530	5 945				
Finance charges	-	-	-	-	-	249	-	-	-	-	-	-	249	498	508				
Bulk purchases - Electricity	6 372	6 362	6 378	6 358	6 380	6 371	6 359	6 380	6 357	6 382	6 380	76 487	80 157	83 201					
Bulk purchases - Water & Sewer	15	15	15	15	15	15	15	15	15	15	15	15	190	189	196				
Other materials	2 426	2 709	2 489	3 070	3 039	4 589	1 790	3 016	2 802	4 643	3 528	4 553	36 863	39 037	59 370				
Contracted services	196	196	1 033	2 352	1 065	2 331	1 392	1 463	1 514	1 668	2 175	197	18 728	15 229	16 491				
Transfers and Grants - other	177	177	177	177	177	177	177	177	177	177	177	177	252	2 204	2 265				
Other expenditure	1 305	1 457	1 336	1 651	1 634	2 527	963	1 622	1 561	2 497	1 687	2 448	20 897	21 579	22 159				
Total Cash Payments by Type	19 479	20 729	20 696	22 634	28 846	25 358	19 888	21 876	21 597	24 364	23 103	2172 516	282 585	315 493					
Other Cash Flows/Payments by Type																			
Capital outlays	178	721	1 853	1 426	600	2 382	265	2 275	5 559	1 962	2 211	5 319	24 751	21 666	20 921				
Repayment of borrowing	-	-	-	-	-	931	-	-	-	-	-	931	1 681	2 263	2 058				
Total Cash Payments by Type	19 657	21 449	22 550	24 060	30 446	28 871	19 853	24 152	27 116	26 326	25 384	29 352	298 129	306 514	338 473				
NET INCREASE/(DECREASE) IN CASH HELD	19 566	(3 741)	8 774	(6 280)	9 416	(10 300)	(3 821)	(7 745)	12 566	(8 605)	(4 127)	(14 319)	(9 386)	(1 424)	9 260				
Cash held in bank accounts at the monthly year begin:	15 225	34 830	31 050	39 884	33 584	43 000	32 791	29 079	21 334	33 921	24 315	20 788	15 235	5 069	5 069				
Cash held in bank accounts at the monthly year end:	34 830	31 050	39 884	33 584	43 000	32 791	29 079	21 334	33 921	24 315	20 788	5 069	5 069	4 445	12 705				

March 2017

2.10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Schedule SA35 is not applicable at the municipality.

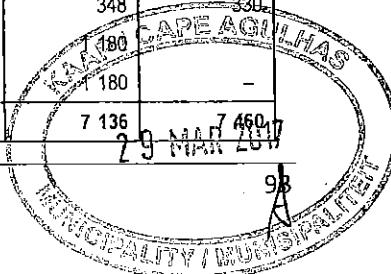
2.11 Capital expenditure details

The following four tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, then the upgrading of assets, then the repair and maintenance of assets and finally the depreciation per asset class.



MBRR SA34a - Capital expenditure on new assets by asset class

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Capital expenditure on new assets by Asset Class/Sub-class				
Infrastructure				
Roads Infrastructure	4 289	3 850	2 685	7 000
Roads	200	100	100	—
Road Furniture	200	—	—	—
Storm water Infrastructure	—	100	100	—
Storm water Conveyance	—	200	200	—
Electrical Infrastructure	1 712	3 550	2 385	7 000
LV Networks	1 712	3 550	2 385	7 000
Water Supply Infrastructure	2 377	—	—	—
Boreholes	1 500	—	—	—
Reservoirs	727	—	—	—
Water Treatment Works	150	—	—	—
Community Assets	1 454	225	2 574	—
Community Facilities	1 454	175	1 120	—
Libraries	4	—	—	—
Cemeteries/Crematoria	—	120	120	—
Public Open Space	—	55	—	—
Public Ablution Facilities	950	—	1 000	—
Markets	500	—	—	—
Sport and Recreation Facilities	—	50	1 454	—
Outdoor Facilities	—	50	1 454	—
Other assets	150	190	—	—
Operational Buildings	150	190	—	—
Municipal Offices	150	190	—	—
Intangible Assets	7	8	—	—
Licences and Rights	7	8	—	—
Computer Software and Applications	7	8	—	—
Computer Equipment	1 111	213	322	95
Computer Equipment	1 111	213	322	95
Furniture and Office Equipment	454	185	27	35
Furniture and Office Equipment	454	185	27	35
Machinery and Equipment	490	504	348	330
Machinery and Equipment	490	504	348	330
Transport Assets	200	470	180	—
Transport Assets	200	470	180	—
Total Capital Expenditure on new assets	8 154	5 645	7 136	7 460



MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
Capital expenditure on renewal of existing assets by Asset Class/Sub-class				
Infrastructure	3 244	1 887	—	—
Roads Infrastructure	750	1 000	—	—
Roads	750	1 000	—	—
Water Supply Infrastructure	915	10	—	—
Boreholes	207	—	—	—
Water Treatment Works	—	10	—	—
Bulk Mains	300	—	—	—
Distribution	408	—	—	—
Sanitation Infrastructure	1 580	877	—	—
Waste Water Treatment Works	1 580	877	—	—
Community Assets	—	250	—	—
Community Facilities	—	250	—	—
Public Open Space	—	250	—	—
Other assets	400	—	—	—
Operational Buildings	400	—	—	—
Municipal Offices	120	—	—	—
Stores	280	—	—	—
Computer Equipment	114	134	168	180
Computer Equipment	114	134	168	180
Furniture and Office Equipment	198	168	192	110
Furniture and Office Equipment	198	168	192	110
Machinery and Equipment	503	1 852	47	27
Machinery and Equipment	503	1 852	47	27
Transport Assets	—	—	375	—
Transport Assets	—	—	375	—
Total Capital Expenditure on renewal of existing assets	4 460	4 290	782	317
Renewal of Existing Assets as % of total capex	17.5%	17.3%	3.6%	1.5%
Renewal of Existing Assets as % of deprecn"	41.0%	37.5%	6.7%	2.7%

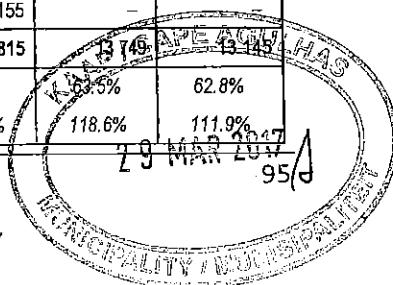


March 2017

MBRR SA34e - Capital expenditure on the upgrading of existing assets by asset class

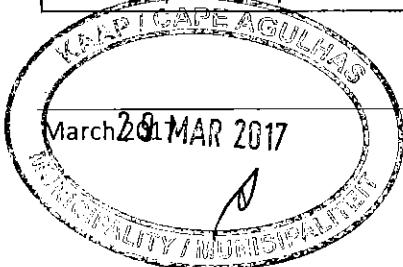
Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class				
Infrastructure	9 583	12 307	11 273	11 702
Roads Infrastructure	6 585	10 546	9 915	11 702
Roads	5 985	9 646	9 515	11 302
Road Furniture	600	900	400	400
Storm water Infrastructure	700	—	—	—
Storm water Conveyance	700	—	—	—
Electrical Infrastructure	1 829	1 311	1 358	—
MV Networks	1 729	365	365	—
LV Networks	100	946	993	—
Water Supply Infrastructure	469	100	—	—
Water Treatment Works	469	100	—	—
Solid Waste Infrastructure	—	350	—	—
Waste Drop-off Points	—	350	—	—
Community Assets	2 522	1 265	1 900	1 340
Community Facilities	1 772	715	1 030	1 000
Halls	1 347	526	—	—
Clinics/Care Centres	—	—	800	200
Testing Stations	—	—	230	800
Libraries	352	159	—	—
Public Ablution Facilities	72	30	—	—
Sport and Recreation Facilities	750	550	870	340
Indoor Facilities	750	—	—	—
Outdoor Facilities	—	550	870	340
Other assets	—	45	—	—
Operational Buildings	—	45	—	—
Municipal Offices	—	45	—	—
Intangible Assets	140	26	—	—
Licences and Rights	140	26	—	—
Computer Software and Applications	140	26	—	—
Computer Equipment	274	957	521	103
Computer Equipment	274	957	521	103
Furniture and Office Equipment	92	60	55	—
Furniture and Office Equipment	92	60	55	—
Machinery and Equipment	228	155	—	—
Machinery and Equipment	228	155	—	—
Total Capital Expenditure on upgrading of existing assets	12 839	14 815	13 745	13 445
Upgrading of Existing Assets as % of total capex	50.4%	59.9%	63.5%	62.8%
Upgrading of Existing Assets as % of deprecn"	117.9%	129.5%	118.6%	111.9%

March 2017



MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand				
Repairs and maintenance expenditure by Asset Class/Sub-class				
Infrastructure	10 322	36 241	38 463	40 830
Roads Infrastructure	3 634	10 970	11 665	12 407
<i>Roads</i>	3 394	10 720	11 403	12 132
<i>Road Furniture</i>	240	250	263	276
Electrical Infrastructure	1 469	7 693	8 155	8 647
<i>LV Networks</i>	1 469	7 693	8 155	8 647
Water Supply Infrastructure	1 975	9 219	9 792	10 402
<i>Distribution</i>	1 975	9 219	9 792	10 402
Sanitation Infrastructure	2 010	6 441	6 825	7 234
<i>Reticulation</i>	2 010	6 441	6 825	7 234
Solid Waste Infrastructure	1 234	1 918	2 026	2 140
<i>Landfill Sites</i>	1 234	1 918	2 026	2 140
Community Assets	5 903	8 616	9 166	9 753
Community Facilities	4 111	4 377	4 657	4 966
<i>Cemeteries/Crematoria</i>	583	656	700	748
<i>Public Open Space</i>	3 528	3 721	3 956	4 218
Sport and Recreation Facilities	1 792	4 240	4 509	4 788
<i>Outdoor Facilities</i>	1 792	4 240	4 509	4 788
Other assets	4 184	4 933	5 191	5 521
Operational Buildings	4 184	4 933	5 191	5 521
<i>Municipal Offices</i>	4 184	4 933	5 191	5 521
Intangible Assets	2 660	3 128	3 206	3 432
Licences and Rights	2 660	3 128	3 206	3 432
<i>Computer Software and Applications</i>	2 660	3 128	3 206	3 432
Computer Equipment	90	68	72	75
Computer Equipment	90	68	72	75
Furniture and Office Equipment	165	93	98	102
Furniture and Office Equipment	165	93	98	102
Machinery and Equipment	674	595	546	574
Machinery and Equipment	674	595	546	574
Transport Assets	3 351	3 478	3 640	3 850
Transport Assets	3 351	3 478	3 640	3 850
Total Repairs and Maintenance Expenditure	27 350	57 153	60 381	64 138
R&M as a % of PPE	7.3%	15.2%	15.5%	16.0%
R&M as % Operating Expenditure	9.5%	19.9%	19.9%	20.3%



MBRR SA34d - Depreciation by asset class

Description R thousand	2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19
				Budget Year +2 2019/20
Depreciation by Asset Class/Sub-class				
Infrastructure				
Roads Infrastructure	8 283	8 428	8 578	8 735
Roads	1 198	1 198	1 198	1 198
Road Structures	1 114	1 114	1 114	1 114
Road Furniture	16	16	16	16
Storm water Infrastructure	68	68	68	68
Drainage Collection	544	544	544	544
Storm water Conveyance	350	350	350	350
Electrical Infrastructure	194	194	194	194
MV Substations	1 351	1 433	1 518	1 606
MV Networks	135	143	151	160
LV Networks	467	496	525	555
Water Supply Infrastructure	749	795	842	890
Dams and Weirs	1 084	1 084	1 084	1 084
Boreholes	34	34	34	34
Reservoirs	126	126	126	126
Pump Stations	285	285	285	285
Water Treatment Works	42	42	42	42
Bulk Mains	107	107	107	107
Distribution	37	37	37	37
Sanitation Infrastructure	454	454	454	454
Pump Station	1 575	1 575	1 575	1 575
Reticulation	479	479	479	479
Waste Water Treatment Works	406	406	406	406
Outfall Sewers	674	674	674	674
Toilet Facilities	1	1	1	1
Solid Waste Infrastructure	15	15	15	15
Landfill Sites	2 530	2 592	2 658	2 727
Community Assets	2 530	2 592	2 658	2 727
Community Facilities	219	243	243	243
Halls	148	165	165	165
Clinics/Care Centres	77	86	86	86
Libraries	1	1	1	1
Cemeteries/Crematoria	54	60	60	60
Public Open Space	1	1	1	1
Sport and Recreation Facilities	15	17	17	17
Outdoor Facilities	70	78	78	78
Investment properties	70	78	78	78
Revenue Generating	7	8	8	8
Improved Property	7	8	8	8
Other assets	396	440	440	440
Operational Buildings	396	440	440	440
Municipal Offices	396	440	440	440
Intangible Assets	158	293	293	293
Licences and Rights	158	293	293	293
Computer Software and Applications	158	293	293	293
Computer Equipment	287	319	319	319
Computer Equipment	287	319	319	319
Furniture and Office Equipment	597	663	663	663
Furniture and Office Equipment	597	663	663	663
Machinery and Equipment	252	280	280	280
Machinery and Equipment	252	280	280	280
Transport Assets	689	766	766	766
Transport Assets	689	766	766	766
Total Depreciation	10 888	11 440	11 590	11 747

March 2017



MBRR SA35 - Future financial implications of the capital budget

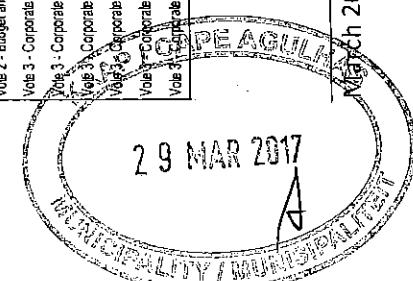
No future implications identified on the capital budget beyond the MTREF period.

MBRR SA36 - Detailed capital budget per municipal vote

Municipal/Voice/Capital project	Program/Project description	Project number	IDP Goal code	Asset Class	Asset Sub-Class	2016/17 Current Year	2017/18 Medium Term Revenue & Expenditure Framework	Project Information				
								2016/17 Full Year Forecast	Budget Year +1 2016/19	Budget Year +2 2017/20	Ward location	New or renewal
Vote 5 - Infrastructure Services	WC033_Agulhas Water Dissefon	511145720065	KPAS/SG/SOB	Water Supply Infrastructure	Water Treatment Works	150	-	-	-	-	Agulhas	N
Vote 5 - Infrastructure Services	WC033_SECURE BOREHOLE (KAM AREA)	511145720311	KPAS/SG/SOB	Water Supply Infrastructure	Boreholes	200	-	-	-	-	Whole of Municipality	R
Vote 5 - Infrastructure Services	WC033_ INSTALL COVER PLATE	511145720312	KPAS/SG/SOB	Water Supply Infrastructure	Boreholes	7	-	-	-	-	Whole of Municipality	R
Vote 5 - Infrastructure Services	WC033_Slurry Bar - Master pl - Napier	511145780033	KPAS/SG/SOB	Storm Water Infrastructure	Storm Water Conveyance	100	-	-	-	-	Napier	U
Vote 5 - Infrastructure Services	WC033_Slurry Water Master pl -Sney	511145780034	KPAS/SG/SOB	Storm Water Infrastructure	Storm Water Conveyance	200	-	-	-	-	Sluisbaai	U
Vote 5 - Infrastructure Services	WC033_Slurry Bar Master pl - Bop	511145780035	KPAS/SG/SOB	Storm Water Infrastructure	Storm Water Conveyance	200	-	-	-	-	Bredasdorp	U
Vote 5 - Infrastructure Services	WC033_Slurry Bar Master pl - Agulhas	511145780036	KPAS/SG/SOB	Storm Water Infrastructure	Storm Water Conveyance	200	-	-	-	-	Agulhas	U
Vote 5 - Infrastructure Services	WC033_Pavement Management System PMS	511145780037	KPAS/SG/SOB	Roads Infrastructure	Road Furniture	200	-	-	-	-	Whole of Municipality	U
Vote 5 - Infrastructure Services	WC033_Sidewalks SBA1	511145780038	KPAS/SG/SOB	Roads Infrastructure	Road Furniture	-	-	-	-	-	Sluisbaai	U
Vote 5 - Infrastructure Services	WC033_Upgrade Road to Landfill Site Bredasdorp to Stuifbaai	521145780039	KPAS/SG/SOB	Roads Infrastructure	Road Furniture	-	-	-	-	-	Bredasdorp	U
Vote 5 - Infrastructure Services	WC033_SIDEWALKS SBA1/2A	511145780039	KPAS/SG/SOB	Roads Infrastructure	Road Furniture	-	-	-	-	-	Agulhas	U
Vote 5 - Infrastructure Services	WC033_New Bus Stop	523145780014	KPAS/SG/SOB	Roads Infrastructure	Road Furniture	-	-	-	-	-	Napier	U
Vote 5 - Infrastructure Services	WC033_Sidewalks Long Street (B/Dorp)	521145780115	KPAS/SG/SOB	Roads Infrastructure	Road Furniture	-	-	-	-	-	Bredasdorp	U
Vote 5 - Infrastructure Services	WC033_Tip Truck	511645780025	KPAS/SG/SOB	Transport Assets	Road Furniture	-	-	-	-	-	Whole of Municipality	N
Vote 5 - Infrastructure Services	WC033_Furniture (Manager & Supervisor)	511645780026	KPAS/SG/SOB	Furniture and Office Equipment	Road Furniture	-	-	-	-	-	Bredasdorp	R
Vote 5 - Infrastructure Services	WC033_Speeded Bumps CAM (3 per ward)	511145780016	KPAS/SG/SOB	Roads Infrastructure	Road Furniture	-	-	-	-	-	Bredasdorp	N
Vote 5 - Infrastructure Services	WC033_3 Pials Compactors	511645780017	KPAS/SG/SOB	Machinery and Equipment	Machinery and Equipment	-	-	-	-	-	Whole of Municipality	N
Vote 5 - Infrastructure Services	WC033_2 Jackhammers Heavy Duty	511645780018	KPAS/SG/SOB	Machinery and Equipment	Roads	-	-	-	-	-	Whole of Municipality	N
Vote 5 - Infrastructure Services	WC033_Upgrade Roads in Napier	521145780019	KPAS/SG/SOB	Roads Infrastructure	Roads	-	-	-	-	-	Napier	U
Vote 5 - Infrastructure Services	WC033_Upgrade Wouller Street in Napier	521145780027	KPAS/SG/SOB	Roads Infrastructure	Roads	-	-	-	-	-	Napier	U
Vote 5 - Infrastructure Services	WC033_Industrial Road Stuifbaai	521145780020	KPAS/SG/SOB	Roads Infrastructure	Roads	-	-	-	-	-	Stuifbaai	U
Vote 5 - Infrastructure Services	WC033_Ou Meule Link to Swakland Road (B/dorp)	523145780021	KPAS/SG/SOB	Roads Infrastructure	Roads	-	-	-	-	-	Bredasdorp	U
Vote 5 - Infrastructure Services	WC033_Kens Ou Meule street (B/Dorp)	511145780022	KPAS/SG/SOB	Storm Water Infrastructure	Storm Water Conveyance	-	-	-	-	-	Bredasdorp	N
Vote 5 - Infrastructure Services	WC033_Foammaking Spray Cart	511645780029	KPAS/SG/SOB	Machinery and Equipment	Machinery and Equipment	-	-	-	-	-	Whole of Municipality	N
Vote 6 - Electricity	WC033_Street Lights - New	51150000005	KPAS/SG/SOB	Electrical Infrastructure	LV Networks	100	150	150	100	100	Whole of Municipality	U
Vote 6 - Electricity	WC033_Electrification - Informal Set	51150000006	KPAS/SG/SOB	Electrical Infrastructure	LV Networks	100	100	100	100	100	Whole of Municipality	N
Vote 3 - Corporate Services	WC033_CORAL DRAW SOFTWARE	51145410018	KPA2/SGZ/SC3	Intangible Assets	Computer Software and Applications	7	-	-	-	-	Whole of Municipality	N

29 MAR 2017

Municipal Voter Capital project	Program/Project description	Project number	IDP Goal code	Asset Class	Asset Sub-Class	Current Year 2016/17 Full Year Forecast	2017/18 Medium Term Revenue & Expenditure Framework		Projected Information	
							Budget Year 2017/18	+1 2016/19 +2 2019/20	Ward location	New or renewal
WC033_Soft are applied for firm's names)		511435/20032	KPA2/SG2/SC03	Intangible Assets	Computer Software and Applications	140	-	-	Whole of Municipality	U
WC033_Cabinet Cupboard		511620/00081	KPA1/SG1/SC02	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	Whole of Municipality	N
WC033_Desktop Filing Cabinet		511620/00032	KPA1/SG1/SC02	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	Whole of Municipality	N
WC033_CAMERA		511620/00033	KPA1/SG1/SC02	Furniture and Office Equipment	Furniture and Office Equipment	5	-	-	Whole of Municipality	N
WC033_CHARTS (3)		511620/00004	KPA1/SG1/SC02	Furniture and Office Equipment	Furniture and Office Equipment	9	-	-	Whole of Municipality	R
WC033_PA SOUND SYSTEM		511620/00005	KPA1/SG1/SC02	Furniture and Office Equipment	Furniture and Office Equipment	30	-	-	Whole of Municipality	N
WC033_Vehicle (LDV) with canopy		512520/00006	KPA1/SG1/SC02	Transport Assets	Transport Assets	-	220	-	Whole of Municipality	N
WC033_Coat Ward Committee Management Module		511220/00007	KPA1/SG1/SC02	Intangible Assets	Computer Software and Applications	-	26	-	Whole of Municipality	U
WC033_Coat Ward Committee Management Module		511620/00008	KPA1/SG1/SC02	Intangible Assets	Computer Software and Applications	-	8	-	Whole of Municipality	N
WC033_Coat Ward Committee Management Module		511625/17001	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	Whole of Municipality	N
WC033_Coat Ward Committee Management Module		511625/17002	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	Whole of Municipality	N
WC033_Coat Ward Committee Management Module		511625/17003	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	Whole of Municipality	N
WC033_Desk		511625/17004	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	Whole of Municipality	R
WC033_Flipchart Easel		511625/17007	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	-	1	-	Whole of Municipality	N
WC033_Geloline (heavy duty)		511625/17008	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	-	7	-	Whole of Municipality	N
WC033_Hardtop		511625/17009	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	-	6	-	Whole of Municipality	N
WC033_Camera Tripod		511625/17010	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	-	1	-	Whole of Municipality	N
WC033_2 Door Cupboard with Shelves		511625/17011	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	-	3	-	Whole of Municipality	N
WC033_Mobile Pedestals w/ 3 draw		511625/17006	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	-	1	-	Whole of Municipality	N
WC033_Pull-up Banners X6		511625/17009	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	-	1	-	Whole of Municipality	N
WC033_2 Door Cupboard with Shelves		511625/18001	KPA1/SG1/SC01	Furniture and Office Equipment	Furniture and Office Equipment	-	2	-	Whole of Municipality	R
WC033_Motor Reading Equipment		511630/00001	KPA4/SG4/SC06	Machinery and Equipment	Machinery and Equipment	241	-	-	Whole of Municipality	R
WC033_DESK CALCULATOR		511630/00003	KPA4/SG4/SC06	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	Whole of Municipality	R
WC033_Office Chairs (4)		511630/00004	KPA4/SG4/SC06	Furniture and Office Equipment	Furniture and Office Equipment	-	4	-	Whole of Municipality	R
WC033_Hinged Door System Cupboard		511630/00005	KPA4/SG4/SC06	Furniture and Office Equipment	Furniture and Office Equipment	-	2	-	Whole of Municipality	N
WC033_2 in 1 Folding Nose Trolley 25		511630/04002	KPA4/SG4/SC06	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	Whole of Municipality	N
WC033_Fridge		511630/04003	KPA4/SG4/SC06	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	Whole of Municipality	N
WC033_Heavy Duty Highback chair		511630/04004	KPA4/SG4/SC06	Furniture and Office Equipment	Furniture and Office Equipment	-	4	-	Whole of Municipality	R
WC033_Oak Mahogany Finged door Cupboard 900x450x1500h (Esthes)		511630/04005	KPA4/SG4/SC06	Furniture and Office Equipment	Furniture and Office Equipment	-	3	-	Whole of Municipality	R
WC033_New PCs		511630/04001	KPA2/SG2/SC03	Computer Equipment	Computer Equipment	44	-	42	45	Whole of Municipality
WC033_Laminating Machine		511630/04004	KPA2/SG2/SC03	Computer Equipment	Computer Equipment	1	-	-	Whole of Municipality	U
WC033_New Laptops		511630/04005	KPA2/SG2/SC03	Computer Equipment	Computer Equipment	83	203	76	80	Whole of Municipality
WC033_JPS serial (Offices)		511630/04006	KPA2/SG2/SC03	Computer Equipment	Computer Equipment	6	-	13	7	Whole of Municipality
WC033_Projector		511630/04007	KPA2/SG2/SC03	Computer Equipment	Computer Equipment	6	7	-	Whole of Municipality	R
WC033_External HDD		511630/04009	KPA2/SG2/SC03	Computer Equipment	Computer Equipment	3	6	2	2	Whole of Municipality



Municipal Voter Capital project	Program/Project description	Project number	DP Goal code	Asset Class	Asset Sub-Class	Current Year 2016/17 Full Year Forecast	2017/18 Medium Term Revenue & Expenditure Framework		Project Information		
							Budget Year FY 2017/18	Budget Year FY 2018/19	Budget Year FY 2019/20	Ward location	New or renewal
WC033_Switch POE	WC033_Switch POE	51165410010	KPA2/SC2/S03	Computer Equipment	Computer Equipment	23	48	32	14	Whole of Municipality	U
WC033_Server Cabinet	WC033_Server Cabinet	51165410013	KPA2/SC2/S03	Computer Equipment	Computer Equipment	12	-	12	-	Whole of Municipality	N
WC033_Two Way Radios	WC033_Two Way Radios	51165410014	KPA2/SC2/S03	Furniture and Office Equipment	Furniture and Office Equipment	59	11	11	-	Whole of Municipality	N
WC033_Generators Main building	WC033_Generators Main building	51165410016	KPA2/SC2/S03	Machinery and Equipment	Machinery and Equipment	220	-	-	-	Bredasdorp	R
WC033_Time & Attendance (Access Control) CRR	WC033_Time & Attendance (Access Control) CRR	51165410017	KPA2/SC2/S03	Computer Equipment	Computer Equipment	500	200	150	-	Whole of Municipality	N
WC033_DESK	WC033_DESK	51165410019	KPA2/SC2/S03	Furniture and Office Equipment	Furniture and Office Equipment	4	-	-	-	Whole of Municipality	R
WC033_CABINET	WC033_CABINET	51165410020	KPA2/SC2/S03	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	-	Whole of Municipality	N
WC033_Chair	WC033_Chair	51165420001	KPA2/SC2/S03	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	-	Whole of Municipality	R
WC033_CHAIR	WC033_CHAIR	51165430001	KPA1/SG1/S02	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	-	Whole of Municipality	R
WC033_SHEDDER	WC033_SHEDDER	51165430002	KPA1/SG1/S02	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	-	Whole of Municipality	R
WC033_Airconditioners (X2)	WC033_Airconditioners (X2)	51165430003	KPA1/SG1/S02	Furniture and Office Equipment	Furniture and Office Equipment	-	40	-	-	Whole of Municipality	N
WC033_Smoke Detectors in SAFE	WC033_Smoke Detectors in SAFE	51165440005	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment	-	-	-	-	Whole of Municipality	N
WC033_SHEDDER	WC033_SHEDDER	51165440006	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment	30	-	-	-	Whole of Municipality	R
WC033_2 x Steel Cabinets	WC033_2 x Steel Cabinets	51165450001	KPA5/SC5/S010	Furniture and Office Equipment	Furniture and Office Equipment	5	-	-	-	Whole of Municipality	N
WC033_Magnetic White Board	WC033_Magnetic White Board	51165450002	KPA5/SC5/S010	Furniture and Office Equipment	Furniture and Office Equipment	-	-	-	-	Whole of Municipality	N
WC033_FILING CABINET(S) SHELVES	WC033_FILING CABINET(S) SHELVES	51165450003	KPA5/SC5/S010	Furniture and Office Equipment	Furniture and Office Equipment	-	-	-	-	Whole of Municipality	N
WC033_Tables (OMCO System updating)	WC033_Tables (OMCO System updating)	51165450004	KPA5/SC5/S010	Computer Equipment	Computer Equipment	-	13	-	-	Whole of Municipality	N
WC033_Zipper	WC033_Zipper	51164020001	KPA6/SC6/S012	Furniture and Office Equipment	Furniture and Office Equipment	91	60	40	-	Whole of Municipality	U
WC033_Mobielbouking K53	WC033_Mobielbouking K53	51164020002	KPA6/SC6/S012	Machinery and Equipment	Machinery and Equipment	-	15	-	-	Bredasdorp	U
WC033_Office chair - Back Support	WC033_Office chair - Back Support	51164020003	KPA6/SC6/S012	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	-	Bredasdorp	R
WC033_18 Chairs - Reception Area	WC033_18 Chairs - Reception Area	51164020004	KPA6/SC6/S012	Furniture and Office Equipment	Furniture and Office Equipment	10	8	-	-	Bredasdorp	N
WC033_Furniture for Meeting Room	WC033_Furniture for Meeting Room	51164020005	KPA6/SC6/S012	Furniture and Office Equipment	Furniture and Office Equipment	-	-	-	35	Bredasdorp	N
WC033_Camara - Erwe Law Enforcement	WC033_Camara - Erwe Law Enforcement	51164030001	KPA6/SC6/S012	Machinery and Equipment	Machinery and Equipment	-	-	-	-	Bredasdorp	N
WC033_MOTOR VEHICLE K53 EQUIPMENT	WC033_MOTOR VEHICLE K53 EQUIPMENT	51164040002	KPA6/SC6/S012	Machinery and Equipment	Machinery and Equipment	30	-	-	-	Bredasdorp	U
WC033_TABLES	WC033_TABLES	511640570001	KPA2/SC2/S09	Furniture and Office Equipment	Furniture and Office Equipment	8	-	-	-	Bredasdorp	N
WC033_Office Equipment / Furniture	WC033_Office Equipment / Furniture	511640570002	KPA6/SC6/S09	Machinery and Equipment	Machinery and Equipment	-	10	-	-	Bredasdorp	N
WC033_CARPET EXTRACTION UNIT	WC033_CARPET EXTRACTION UNIT	511640580002	KPA2/SC2/S03	Furniture and Office Equipment	Furniture and Office Equipment	4	7	7	7	Bredasdorp	R
WC033_Furniture - Community Hall (Stuurbaai)	WC033_Furniture - Community Hall (Stuurbaai)	511640580003	KPA2/SC2/S03	Other assets	Other assets	-	10	10	10	Bredasdorp	R
WC033_Safety Gates x 3 Neftbank building	WC033_Safety Gates x 3 Neftbank building	511640580004	KPA2/SC2/S03	Furniture and Office Equipment	Furniture and Office Equipment	-	15	-	-	Bredasdorp	N
WC033_Airconditioners (Replacedent) x 3	WC033_Airconditioners (Replacedent) x 3	521640580005	KPA2/SC2/S03	Community Assets	Community Assets	-	34	-	-	Bredasdorp	R
WC033_Construction of New wing - ONS Huis	WC033_Construction of New wing - ONS Huis	521220580006	KPA2/SC2/S03	Machinery and Equipment	Machinery and Equipment	-	-	600	200	Shusbaai	R
WC033_Furniture - Duiker Street	WC033_Furniture - Duiker Street	511640580002	KPA2/SC2/S03	Machinery and Equipment	Machinery and Equipment	-	-	-	-	Whole of Municipality	N
WC033_Portal Poles - Resorts	WC033_Portal Poles - Resorts	511640580004	KPA2/SC2/S03	Machinery and Equipment	Machinery and Equipment	-	-	-	-	Whole of Municipality	N

29 MAR 2017

100

March 2017